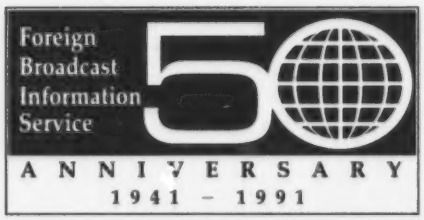

Daily Report

Latin America

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FBIS-LAT-91-181 *18 September 1991*

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Cuba

Havana Notes Cheney's Remarks on Guantanamo

FL1809121891 Havana Radio Rebelde Network in Spanish 1152 GMT 18 Sep 91

[Text] An AFP cable datelined in London reports that the United States will not leave the Guatanamo Base in Cuba. This was stated by U.S. Secretary of Defense Dick Cheney in an interview published Wednesday by the British magazine JANE'S DEFENSE. In an exclusive interview Cheney said that he had no intention of changing the status of the base.

Havana Reports on Gates Nomination Hearings

FL1709212691 Havana Radio Reloj Network in Spanish 1937 GMT 17 Sep 91

[Text] Robert Gates, nominated by U.S. President George Bush to be head of the CIA, pointed out that this spy organization should ground itself in the human factor in order to obtain secret information. On his first day of hearings before the intelligence committee which is examining his nomination, Gates expressed himself in favor of using electronic devices such as computers to inform the executive branch of situations that are confidential and urgent. Gates' nomination hearings before Democrat and Republican legislators will continue for one week, according to congressional sources.

In 1987 Gates withdrew his nomination as head of the CIA for fear that he would be disqualified for involvement in the sale of arms to Iran and the diversion of profits to support the anti-Sandinists.

Soviet Deputy Foreign Minister's Travel Plans

FL1809132291 Havana Tele Rebelde Network in Spanish 1300 GMT 18 Sep 91

[Text] An AFP cable datelined in Moscow asserts that Soviet Deputy Foreign Minister Valeriy Nikolayenko will travel to Havana in the next few days to prepare for the talks regarding the withdrawal of the Soviet training brigade in Cuba.

According to AFP, the announcement was made on 17 September by USSR Foreign Ministry spokesman Vitaliy Churkin who also stated that Soviet-Cuban relations in general will be included in Nikolayenko's agenda of meetings in Cuba.

Fidel Castro Attends Mexican Celebrations

PA1809032891 Mexico City NOTIMEX in Spanish 2238 GMT 17 Sep 91

[Text] Havana, 17 Sep (NOTIMEX)—The Mexican Government will maintain its policy toward Cuba and will try to integrate this country into the Inter-American community, Mexican Ambassador Mario Moya Palencia said before Cuban President Fidel Castro.

Moya Palencia hosted a reception to mark the 181st anniversary of Mexico's independence that was attended by Castro, who advocated the integration of Latin America, "now that other (countries) are disintegrating."

Concerning the achievements of the Ibero-American summit last July in Guadalajara, Jalisco, Castro said that "now that others are disintegrating, it is best that we integrate ourselves."

The Mexican ambassador and the Cuban president talked for about an hour.

Ministers of the government, officials, and leaders of the politburo and of the Central Committee of the Communist Party of Cuba, as well as intellectuals and artists went to Moya Palaencia's residence to voice their solidarity for the Mexican festivities.

The Cuban president was accompanied by Foreign Minister Isidoro Malmierca and Culture Minister Armando Hart, in addition to Jose Ramon Fernandez, vice president of the Council of Ministers, and the leader of the Federation of Cuban Women, Vilma Espin.

Mexican Ambassador Discusses Relations

PA1709184991 Madrid EFE in Spanish 1615 GMT 17 Sep 91

[Text] Havana, 17 Sep (EFE)—Mexican Ambassador Mario Moya Palencia has said in Havana that Mexico's policy toward Cuba is one of friendship, respect, and a desire for Cuba to immediately join the inter-American system.

During an interview with the Cuban news agency PRENSA LATINA, the Mexican diplomat said that "what may happen in third countries absolutely does not change the relationship that exists between the regimes of (Mexican President) Carlos Salinas de Gortari and (Cuban leader) Fidel Castro Ruz."

In Moya Palencia's opinion, "in response to the changes in the USSR and Eastern Europe, Cuba has been forced to seek new markets" and this situation "will do a great deal of good for Cuban development," which was formerly linked to the Council for Mutual Economic Assistance (CEMA) and other bodies that no longer exist.

The Mexican ambassador believes that Cuba now has a chance to diversify its trade during an era of globalization. This would be equivalent to increasing its development capabilities. In his opinion, this phase will be "positive," although its first episode "has been marked by a transition from an economy that looked only one way to one which today is looking at new horizons."

Concerning Cuban-Mexican relations, Moya Palencia gave assurances that "Mexico is a neighboring country. It is not changes in government or a diversity of systems or political-economic regimes that regulate the ties between Cuba and Mexico."

Since the end of last week there have been a series of festivities in the Cuban capital to mark the 181st anniversary of Mexico's cry for independence (Grito de Dolores). One event was held to pay homage to hero Benito Juarez.

On 15 September the Mexican Embassy in Havana hosted an independence day reception. It was attended by Fidel Castro and other top government officials, among them Cuban Foreign Minister Isidoro Malmierca and his Venezuelan counterpart Armando Duran, who is visiting the island.

Malmierca Meets Venezuela's Duran, Discuss Ties

FL1709130591 Havana Tele Rebelde Network in Spanish 1100 GMT 16 Sep 91

[Text] His Excellency Armando Duran, Venezuelan foreign minister, has visited the Cuban Foreign Ministry. Cuban Foreign Minister Isidoro Malmierca introduced Mr. Duran to the members of the diplomatic corps accredited to Cuba. They were accompanied by Venezuelan Ambassador Mrs. Maria Clemencia Lopez Jimenez. Cuban Foreign Ministry officials also greeted the distinguished quest.

In the afternoon, the leaders of the Venezuelan and Cuban diplomacy, Armando Duran and Isidoro Malmierca, held official talks at the Foreign Ministry. They discussed subjects of common interest and international and Latin American politics. The meetings will conclude tomorrow with the signing of several bilateral cooperation agreements.

Duran Discusses Cooperation

FL1809122691 Havana Radio Rebelde Network in Spanish 2312 GMT 17 Sep 91

[Text] During a press conference with foreign and Cuban reporters held before his departure, Venezuelan Foreign Minister Armando Duran classified his visit to Cuba as a very important step in analyzing trade ties in conditions of equality and cooperation.

[Begin Duran recording] During these two days we have been discussing different cooperation programs in the framework of what prompts Cuba, Venezuela, and other developing countries, which is South-South cooperation. In this case it has resulted in the signing of a memorandum on generic drugs which includes pharmaceutical products as well as biological products. There is an agreement between the Cuban Academy of Sciences and the Venezuelan Ministry of Science and Technology that concerns scientific and technological research with a great emphasis on biotechnology.

A third agreement of great importance is the memorandum of understanding signed by the Cuban Institute of Basic Industries and the Venezuelan Regional Southwestern Corporation, which is a state enterprise that has enormous phosphate resources. This is a product which Cuba does not have. But Cuba on the other hand has the technology to nitrogenize these phosphates. This is something Venezuela does not have.

I would like to point out the possibility—and this is the memorandum of understanding that was signed this morning, and the [words indistinct] to be signed in January 1992—of developing a cooperation project between the two countries to exploit the Venezuelan phosphates with the Cuban nitrogenizing technology. With this cooperation we would be able to cut the production cost for fertilizers by 50 percent. I point this out because these efforts represent South-South cooperation, which could greatly benefit Cuban and Venezuelan agriculture. [end recording]

The Venezuelan foreign minister said that his country has the ambition of including Cuba in the context of the Latin American community, which is definitely where Cuba belongs and should be.

Protocols Signed With Venezuela

FL1709190891 Havana Tele Rebelde Network in Spanish 1700 GMT 17 Sep 91

[Passages within quotation marks recorded]

[Text] Today, Venezuela and Cuba signed several bilateral cooperation protocols. The agreements were signed by Venezuelan Foreign Minister Armando Duran and his Cuban counterpart Isidoro Malmierca. The documents include cooperation contracts in science and technology, genetic engineering, and basic industry.

The Venezuelan foreign minister granted a news conference [words indistinct]. Responding to a question asking whether the signed protocols help to counteract the blockade against Cuba, Duran responded:

[Duran] "I do not think that they are so ambitious. The importance I see in them is that the agreements were made between two developing southern countries to strengthen trade in terms of equality and cooperation. From this point of view, I consider that they are extremely important. Evidently, these type of agreements in no way can compensate the difficulties the economic sanctions bring to the Cuban economy."

[Unidentified reporter] "I wanted to ask if they are politically motivated."

[Duran] "Regarding the oil issue, I said that neither Cuba has asked to join the San Jose Agreement nor was Venezuela suggesting it. As you know, the San Jose Agreement is an agreement between Mexico and Venezuela. It may be appropriate to remind you that the San Jose Agreement does not involve gifts of oil to any Central American or Caribbean country that forms part of the agreement."

[Reporter] "I would like to know if there is an exact date?"

[Duran] "I repeat, the subject of oil was not discussed during these talks. On the other hand, there is no specific term or period of time set. The bottom line is that this is an agreement between Cuba and the Soviet Union."

Senator Pompeyo Marquez, who is part of the Venezuelan delegation, expressed his opinion about Cuba in terms of the new international situation.

[Marquez] "What is happening here is a large continental movement—if not a worldwide movement—which places things in their proper place. May the Soviets leave, may the Americans leave, may the blockade end, and let the Cubans solve their own problems with the solidarity and support of the rest of Latin America and the world."

Also this morning, Armando Duran, head of the Venezuelan diplomacy, held talks with Dr. Carlos Rafael Rodriguez, vice president of the Councils of State and Ministers.

PRC Politburo Member Yang Rudai Begins Visit

FL1709124491 Havana Radio Rebelde Network in Spanish 1047 GMT 17 Sep 91

[Text] We sympathize with the Cuban people who have shown their courage in the struggle to safeguard independence. This was said by Yang Rudai, member of the Chinese Communist Party Politburo, who has begun a visit to Cuba as the head of a CCP delegation.

The high-level Chinese delegation was welcomed at the Havana airport by Yolanda Ferrer, alternate member of the Politburo of the Communist Party of Cuba [PCC]. She explained to the members of the delegation the preparations that are being made for the Fourth PCC Congress.

Yang Rudai stated that thanks to the PCC Congress the socialist banner will be kept high in this land. The Chinese guests are paying a visit in this country at the invitation of the PCC. Their agenda includes meetings with government authorities, tours through places of economic, historic, and social interest; and a visit to Santiago de Cuba Province.

Meets With Aldana

FL1809005791 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0000 GMT 18 Sep 91

[Text] This afternoon, Central Committee Secretary Carlos Aldana met with Yang Rudai, a member of the Politburo of the Chinese Communist Party who is visiting Cuba. The Chinese visitors are here at the invitation of the Communist Party of Cuba [PCC], and the schedule they will carry out includes meetings with Cuban officials and tours of places of economic, historic, and social interest. Afterwards, Yang Rudai and the delegation that is accompanying him will travel to Santiago de Cuba to see the construction projects dedicated to the Fourth PCC Congress and to visit other places of interest.

Meets With Politburo Members

FL1809135691 Havana Radio Rebelde Network in Spanish 1210 GMT 18 Sep 91

[Text] The Chinese Communist Party delegation headed by Yang Rudai, member of this organization's Politburo, has held separate official talks with Cuban leaders Carlos Rafael Rodriguez, Carlos Lage, and Carlos Aldana. During the meetings, Cuba and China reaffirmed their unyielding decision of continuing to build socialism under the leadership of their Communist Parties and strengthening the existing bilateral friendship and cooperation ties.

The members of the Communist Party of Cuba [PCC] leadership informed the visitors about the preparations being made for the Fourth PCC Congress and the measures adopted to face the economic difficulties the country is experiencing and to continue with national development.

For his part, Comrade Yang Rudai described the successes achieved by the PRC in the building of socialism, especially in the last few years, and the experiences accumulated. He reiterated the full support of his party and government to the just struggle of the Cuban people in safeguarding its sovereignty.

The Chinese delegation and the Cuban leaders also examined the international situation and assessed the status of the existing relations between the two parties and countries. The two sides agreed that they could be characterized as satisfactory and made a call so that they are strengthened further.

TANA Leaders Hold Meeting, Support Cuba

Condemn USSR Troop Pullout

PA1709155291 Havana Radio Havana Cuba in Spanish 0000 GMT 17 Sep 91

[Text] The second meeting of the international leadership of TANA, the Antiimperialist Tribunal of Our America, began on 16 September in Havana. The meeting began with the approval of a document supporting Cuba. The document points out that the Guantanamo Naval Base, which was set up nearly 90 years ago by Washington, is an insult to the honor of Latin America and the Caribbean.

The declaration also said that TANA became deeply concerned when it learned of the unilateral decision by the Soviets to withdraw their military contingent from Cuba. The meeting of TANA's leadership will extend through 22 September with the participation of Dr. Guillermo Toriello, a Guatemalan former foreign minister; Osvaldo Guayasamin, an Ecuadoran painter;

Rafael Cansel Miranda, a Puerto Rican politician; and other persons known for their pro-Latin American sentiments.

The Cuban revolution is not alone and will not be defeated, TANA emphasized in the declaration made public on 16 September in Havana concerning the USSR's decision to withdraw its military contingent from the island. The document points out that Moscow's unilateral measure violates the most basic norms of diplomacy and the treaties and agreements in effect between Cuba and the USSR.

After recalling that during its 10 years of existence TANA has denounced the U.S. military presence in Cuba, Puerto Rico, and Panama, the document expresses the organization's solidarity with the people and the government of the island.

In its declaration issued on 16 September, TANA emphasizes the decision of all of its Latin American and Caribbean members to join the Cuban people in demanding the dismantlement of the U.S. military contingent and the unconditional return of the territory the United States is illegally occupying in Guantanamo.

Support Debate on Blockade

FL1709150691 Havana Radio Reloj Network in Spanish 1402 GMT 17 Sep 91

[Text] In a letter addressed to the UN secretary general, Dr. Guillermo Torriello, president of the Antiimperialist Tribunal of Our America [TANA], demands the end of the economic blockade against Cuba. He notes that the economic blockade constitutes the most serious violation of human rights committed against a country in this hemisphere during this century and it affects the citizens of Cuba, the United States, and the rest of the world.

In his letter, Guillermo Torriello supports the request made by the Cuban Government asking that the end of the shameful economic, commercial, and financial blockade that the United States has maintained against the Cuban people for 30 years be discussed during the 46th session of the National Assembly. Torriello's letter to Perez de Cuellar says: I consider the statement made by the Washington government dismissing the inclusion of the subject at the General Assembly as cynical, immoral, and extreme hypocritical .

International Groups Demand Debate on Blockade

FL1809125591 Havana Tele Rebelde Network in Spanish 1100 GMT 18 Sep 91

[Text] American, Latin American, and Caribbean religious leaders have demanded that the UN General Assembly discuss the subject of the end of the U.S. blockade against Cuba. This demand was expressed in letters sent to UN Secretary General Javier Perez de Cuellar, the Martin Luther King Memorial Center, and the Latin American and Caribbean Christian Conference for Peace.

The American Lawyers Association also requested the 46th session of the General Assembly discuss the end of the U.S. embargo against Cuba. In Brussels, 62 European deputies also demanded the same from Washington. The deputies from all EC countries, except Luxembourg, pointed out that sustaining the blockade constitutes an unilateral aggression by the United States.

Ross Leal on Objectives of CTC Assessments

FL1809152991 Havana Tele Rebelde Network in Spanish 1000 GMT 18 Sep 91

[Text] Pedro Ross Leal, Politburo alternate member and secretary general of the Cuban Workers Federation [CTC], has spoken with reporters about the yearly evaluation process of the basic organizations of the Cuban trade union movement.

[Begin recording] [Maribel Acosta] This assembly process will take place nationwide beginning 21 October in the Juan R. Miguel Miliandes construction factory in Havana. Immediately following the conclusion of the Fourth Communist Party of Cuba [PCC] Congress, trade union assemblies will meet to analyze and endorse the decisions of the PCC congress. It is anticipated that many union leaders will participate in these meetings, which have the following objectives: an accounting of union leaders to their locals; a check on compliance with the special period directives of the commander in chief; an evaluation of the current situation of work centers and the workers; and an assessment of the progress of agricultural mobilizations. They will also examine the compliance of resolutions from 16th CTC Congress.

The assembly or union bureaus will make critical and self-critical assessments for the discussion of the problems of each work center. They will take up the workers concerns and the union leaders of the leadership organizations present at the meetings will determine concrete solutions to the problems, ways to solve them, and the designation of those responsible to return and answer to the locals. This process will conclude 15 January 1992 in the basic organizations included in the union bureaus. [end recording]

Cuban Ambassador Criticizes Soviet Withdrawal

PA1609170691 Mexico City NOTIMEX in Spanish 1038 GMT 16 Sep 91

[Text] Mexico City, 16 Sep (NOTIMEX)—Cuban Ambassador to Mexico Jose Fernandez de Cossio on 15 September criticized the Soviet Union's decision to withdraw its troops from his country. He said that the Cuban people are armed and trained to defend their revolution at all costs. The diplomat believes that the withdrawal of the Soviet Armed Forces increases the possibility of a U.S. invasion of Cuba.

Fernandez de Cossio was interviewed after the ceremony held at the National Palace to celebrate the proclamation of Mexican independence. He denounced the constant maneuvers carried out by the U.S. Armed Forces to try to get the Cuban people to surrender.

He mentioned there are U.S. troops in Guantanamo that violate the Cuban people's sovereignty as "they have no justification for being there and are a cause of frustration and humiliation for Cuba."

Fernandez de Cossio said that the withdrawal of Soviet troops is, undoubtedly, a response to a verbal request from U.S. President George Bush to his Soviet counterpart Mikhail Gorbachev.

He pointed out that, with this attitude, the Soviet Union will undermine its diplomatic relations with Cuba. The Soviet Union's decision was unilateral because it was never discussed with Fidel Castro's government, which clearly shows that Gorbachev is following decisions made in Washington, he said.

Malaysian Official Views Expansion of Ties

BK1709115491 Kuala Lumpur BERNAMA in English 1016 GMT 17 Sep 91

[From Syed Jamil Jaafar]

[Text] Mexico City, Sept 17 (OANA/BERNAMA)—Malaysia is poised to tap tremendous economic and trade potentials from its relations with South American countries following Prime Minister Dr. Mahathir Mohamed's bridge-building missions to Chile, Brazil and Argentina recently and to Mexico beginning Tuesday.

Foreign Minister Abdullah Ahmad Badawi, who arrived here Monday, ahead of the prime minister's delegation, told Malaysian journalists the thrust of Dr. Mahathir's visit here was to enhance economic relations.

"The prime minister's visit is an extension to the trips he made to Chile, Brazil and Argentina in June-July, the primary aim of which was to explore new markets and enhance economic cooperation among countries of the south," Abdullah said.

Dr. Mahathir is scheduled to arrive here Tuesday afternoon.

Abdullah said the prime minister's discussions with President Carlos Salinas, slated as the first item on the agenda of his visit, would focus on South-South cooperation, the G15 of which both Malaysia and Mexico are members, and the establishment of the North American Free Trade Area (NAFTA) in 1989.

Malaysia is interested in finding out what effects NAFTA, which groups the United States, Canada and Mexico, will have on its exports and its efforts to attract foreign investments.

"We will also be looking at the opportunities that may be available," Abdullah said, adding that ASEAN was also thinking of setting up a free trade area of its own.

He said that as members of G15 (Group of 15 countries of the South), Malaysia and Mexico were serious in wanting to get cooperation going among the developing countries of the South.

The G15 is scheduled to hold its second summit in Caracas in November and all countries concerned had indicated that they will attend. The first summit was hosted by Kuala Lumpur last year.

Abdullah said that, bilaterally, Malaysia sees great potentials in expanding relations with Mexico, which has a population of 86 million and a per capita income of more than U.S.$2,000.

Already Mexico has been increasing its import of Malaysian palm oil from 21,000 tonnes in 1989 to 71,000 tonnes last year.

El Salvador

FMLN Proposes 1-Year Cease-Fire to De Cuellar

PA1709224391 San Salvador Radio Cadena YSU in Spanish 2000 GMT 17 Sep 91

[Report by SALPRESS journalist Ricardo Gomez in New York to YSU news announcer Julio Ernesto Rodriguez—live telephone relay]

[Text] [Rodriguez] It is 1405 and we have Ricardo Gomez from SALPRESS on the telephone. He will tell us about a proposal the Farabundo Marti National Liberation Front, FMLN, has presented to the UN secretary general's office. The FMLN proposal's main point is for a previously agreed upon cease-fire that is to last one year. Let us hear Ricardo Gomez with the information from New York. Go ahead, Ricardo.

[Gomez] Good afternoon, listeners of YSU radio station. As I reported at noon, an FMLN delegation has formally presented a proposal to the UN Secretary General Javier Perez de Cuellar. However, the FMLN representatives who delivered the proposal did not report its contents. However, a few minutes ago, sources close to the rebels asserted that the main point of the FMLN proposal was a one-year cease-fire. The cease-fire would favor democratic changes and allow for the continuation of negotiations under better terms. They also reported that the one-year cease-fire, which would have to be agreed upon, would allow bloodshed and the destruction of the country to stop. Furthermore, the source asserted that the proposal demands that political forces in the country be allowed to express themselves with more freedom during the proposed cease-fire period. According to the source, another point in the proposal is that the FMLN would declare itself on a peace offensive. The source added that the main reason for this proposal is to stop armed confrontation and allow the negotiating process to develop under better terms.

According to the source, it is not necessary for the parties to have completed the agenda prior to the beginning of the cease-fire. They could still discuss issues on the agenda prior, during, and after the cease-fire.

This is the information obtained a few minutes ago and we are offering it to Radio Cadena YSU listeners as a scoop from the UN Headquarters in New York.

[Rodriguez] We would like to ask you one question. A few hours prior to the end of the meeting, as originally planned, we want to know what the climate is now with the possibility that the meeting could last longer. A few minutes ago, we heard that the government delegation, headed by President Cristiani, is willing to stay. What is the outlook, is there a chance of the meeting lasting longer?

[Gomez] I think there is a real chance for it to last longer. The meeting between President Cristiani and his delegation with Perez de Cuellar could start soon, at 1600 or 1630. At this meeting, it is said that Perez de Cuellar will explain the guerrilla position to the government delegation.

Then, later on, the UN Secretary General would have to meet with the FMLN. This means that things are not going to be decided today. It appears that the meetings will have to continue tomorrow. Both parties have expressed their willingness to continue. Perez de Cuellar made this specific request of the two parties and I believe that they have both agreed.

[Rodriguez] We thank you. Our listeners have heard this report on the FMLN proposal to the UN general secretary with regard to a cease-fire that is to last a year. This is an effort to put an end to our country's military conflict. In addition, there is a possibility of the meetings lasting longer, but it is unknown how many more days.

PDC Praises Peace Offer

PA1809040291 San Salvador Canal Doce Television in Spanish 0303 GMT 18 Sep 91

[Text] Fidel Chavez Mena, secretary general of the Christian Democratic Party [PDC], has stated that the rebel proposal represents an expression of the willingness of the FMLN [Farabundo Marti National Liberation Front] to attain peace. In this regard, he requested that the government ease off from its position and respond with a [words indistinct] attitude.

The surprising proposal for an armed peace for one year, which was presented today by the General Command of the FMLN before UN Secretary General Javier Perez de Cuellar, was considered positive and a step prior to the signing of a cease-fire agreement by the opposition PDC. The rebel offer was made at a time Perez de Cuellar, at the highest level, is trying to untangle the negotiations, which have not made any progress since July.

Fidel Chavez Mena, top leader of the PDC, called on the government to demonstrate its willingness to attain peace.

[Begin Chavez Mena recording] We believe that this represents a very important desire to attain peace on the part of the FMLN. We hope that the government analyzes this proposal carefully.

We have insisted on the need to incorporate the political parties into the negotiations so that these agreements can have more backing and support. Obviously, there will be specific problems here. It will be necessary for the constitutional reforms to be ratified. The process of approving the reforms is a little peculiar, because it leaves each chapter of the reforms that will be approved in suspense. [as heard]

Second, it will be necessary to verify this truce on the spot. Third, it is necessary—because of the mutual distrust between the parties—to comply with the commitments and agreements that have been made. [end recording]

Guerrilla leaders have stated that, after reaching an agreement on this proposal, the FMLN would declare an

offensive for peace. The objective of this would be to stop the hostilities and create conditions that favor the negotiations. Chavez Mena stated that the peace process would become further bogged down if this opportunity is turned down.

[Begin Chavez Mena recording] I am under the impression that if this opportunity is rejected, it would seriously affect the peace process in El Salvador. The government is facing an enormous responsibility here. If the negotiations were to be suspended, the positions would become further polarized, thus worsening the armed struggle. [end recording]

The meeting in New York, which entered its second day today and could be prolonged, demonstrates which party is willing to yield to attain peace. The rebels have taken this step and now the government must change its attitude, Chavez Mena warned.

Cristiani Says UN Must Make Proposal

PA1709234091 Mexico City NOTIMEX in Spanish 2244 GMT 17 Sep 91

[Text] New York, 17 Sep (NOTIMEX)—After learning of the one- year truce proposed today by the Salvadoran guerrillas, Salvadoran President Alfredo Cristiani stated that it is up to the UN secretary general or UN representatives to make the proposals.

"Our presence here is to untangle the dialogue, to listen, and then to react," the president told NOTIMEX in a brief statement at UN headquarters.

The Farabundo Marti National Liberation Front (FMLN) presented to the UN secretary general a proposal for a one-year truce which will be delivered to Cristiani this afternoon by UN Secretary General Javier Perez de Cuellar.

Salvadoran Justice Minister Oscar Santamaria told newsmen that "the government wants to secure definitive peace, not something piecemeal."

FMLN sources told NOTIMEX that the truce is conditioned on several factors, including that the FMLN maintains the territorial control it now has and the establishment of a national civilian commission to verify and monitor fulfillment of the truce.

The same sources added that the Salvadoran political parties, the Salvadoran Government, and the FMLN must also participate in the commission.

"This will be the only way to demonstrate that civilian society is above the militia," the guerrilla leader added.

Government Delegate Reports on Talks

PA1809042591 San Salvador Canal Doce Television in Spanish 0309 GMT 18 Sep 91

[Telephone interview with Presidency Minister Oscar Santamaria, coordinator of the official dialogue commission, in New York by station reporter Antonio Mineros—live]

[Text] [Mineros] Good evening, Dr. Santamaria. Welcome to our program. What can you tell us about the work done as of 17 September? Could we have a summary of the work done with the UN secretary general?

[Santamaria] Thank you, Tony. Good evening, people of El Salvador and Canal Doce viewers. Today, we once again met with the UN secretary general to learn of everything that has been jointly presented to him. Yesterday, he heard the opinions of the government and of the Farabundo Marti National Liberation Front [FMLN]. Any moment now, the UN secretary general could be in a position to make a proposal to the parties, which is what we awaited this afternoon.

The UN secretary general has already made some proposals on how we could find some solution or alternatives to the points that have so far been difficult to overcome at the negotiating table and have bogged down the process.

[Mineros] It was unofficially learned here in San Salvador on 17 September that the FMLN has offered to observe a one-year unilateral truce. Do you know of the details of this proposal by the guerrillas to the UN secretary general? Was it discussed with the government's official commission? What else do you know about this proposal? Will it be accepted at this meeting with the UN secretary general?

[Santamaria] Tony, we have heard about this proposal due to the FMLN propaganda. To our knowledge, this is not an official proposal, either from the FMLN to us or from the UN secretary general to us. The international reporters asked President Cristiani about it, and he said that this FMLN stand is propaganda. It merely seeks to create an atmosphere favorable to its position, but the government will never be willing to share it as we did not come here to discuss aspects of a truce.

We came here to discuss aspects of a process that has led us to the crucial moment of defining the end of the armed confrontation in El Salvador, that is, a cease-fire. That is very different from a truce. The proposal we received on 17 September from the UN secretary general did not at all mention that FMLN stand.

Therefore, you can reach your own conclusion that it has gone unnoticed by the secretary general. Why? Because the secretary general knows that the Caracas agenda and the Geneva agreements do not speak of a truce. They refer to an end of the armed confrontation, which is what could really bring lasting peace to the country.

We do not want peace in pieces in El Salvador, and that is what the FMLN is proposing with these so-called truces. At the same time, we all know from experience what the FMLN does in El Salvador when it offers these unilateral truces. Those truces have been violated numerous times by the FMLN. What we are discussing here is something more serious, more formal. We all know that a cease-fire process is something that can be verified. A truce cannot be verified, because it is left as an option for the parties.

[Mineros] Then, if the truce is what is being sought at this meeting, what are the chances of attaining it?

[Santamaria] We came to discuss the points on the agenda, the main points. Those points include aspects related to the Armed Forces and the truce. This is what we have been trying to do by making the agenda more compact, to have an abridged agenda with the points we wanted to save for the secretary general's hand. That is why the secretary general at no time referred to the FMLN's position when it presented its proposals to the government this afternoon.

[Mineros] If the work during this second day of talks has been directed at attaining a cease-fire, what is your analysis of the situation on the second day of work? Specifically, what has been the most relevant aspect?

[Santamaria] Tony, the important aspect is this: The secretary general has heard the positions of both sides and has presented a proposal of what could be the solution to end the impasse to which the process has come. That is what we and the FMLN have received. Now we must state our views with regard to that proposal, and that is what we will be doing tomorrow. Important here is that the secretary general's proposal remains within the framework of the agenda we have maintained until now. We have maintained the subjects and contents of the process. More important is that a shift or change has been made in the working scheme or the mechanical part and procedures that the process will have from now on. If we manage to overcome the impasse, we hope to enter an intensive phase that will have to be in the very near future, to start defining the final agreements, particularly the cease-fire agreement.

[Mineros] Although it is still hypothetical to talk about the results of this meeting, from your standpoint and based on your experience within the peace talks, what can El Salvador expect at the end of these meetings?

[Santamaria] Tony, the Salvadoran people must be aware of the fact that we have come here—I say this as representative of the government, because I can only speak on behalf of the government. The FMLN will have to present its own views—with seriousness and responsibility. President Cristiani has said that if it is necessary to remain here longer than expected—the meeting was scheduled for 16 and 17 September—we will stay to find the alternatives and solutions that the process demands at this time, and which could enable us to enter a dynamic phase, an intensive phase of expediency to reach the final agreements. What I can tell the Salvadoran people is that the government maintains steadfast political determination and a positive attitude that this meeting can produce the results and fruit that the secretary general had in mind when he invited the parties involved.

I also want to say that we maintain a flexible position so that the proposed solutions in the long run can represent aspects that can contribute toward making the path easier, a path with more fluid venues of work with our counterpart, in this case with the FMLN. We expect the same receptivity from the FMLN. We are not here to discuss aspects that concern personal interests. We are here to define the general interests of the Salvadoran people with the government's support.

[Mineros] Will 1991 be the year of peace?

[Santamaria] We believe so, Tony. Everthing that has been done up to today through the efforts during the past 16 months... [pauses] You know that the past 16 months since the meeting in Geneva in April 1990 have been long, rough, difficult, and complex. The process has faced serious obstacles. However, the process is still alive, and the UN secretary general wants to strengthen it, and give it a wider scope. We believe that 1991... [pauses] As he has said, he plans to leave his post the last day in December when the mandate of the secretary general ends. He has said that he wants to leave the Salvadoran conflict resolved, and has asked the parties involved to cooperate. The government has offered him that cooperation.

Report on FMLN Battle Actions 24 Aug-12 Sep

PA1709225891

[Editorial Report] The following is a compendium of reports on Farabundo Marti National Liberation Front (FMLN) action between 24 August and 12 September.

San Salvador EL MUNDO in Spanish on 9 September carries a 250-word article on page 9 stating that Radio Venceremos continues to claim that its combatants downed a UH-1H helicopter belonging to the Salvadoran Armed Forces. However, it adds that on 6 September the 3d Infantry Brigade denied this report, stating that the aircraft tried to make an emergency landing and crashed, and as a result, two soldiers died and eight were injured.

Hamburg DPA in Spanish at 1816 GMT on 10 September in a 250-word dispatch reports that "according to military sources, heavy fighting between the guerrillas and Army took place this morning only 40 km from the Salvadoran capital, between the municipalities of Suchitoto and Aguilares." It adds that "official sources indicated that the armed forces inflicted at least nine dead on the guerrillas." This report states that an officer was killed during clashes in San Jose Las Flores, Chalatenango Department.

(Clandestine) Radio Farabundo Marti in Spanish to El Salvador at 0000 GMT on 10 September broadcasts 12 minutes of military reports. The station reports that the

National Army for Democracy (END) inflicted 219 casualties on the Salvadoran Armed Forces in Chalatenango Department between 24 August and 9 September. It adds that during the 15 days of fighting, the END "recovered the following weapons: seven rifles, a grenade launcher, 24 grenades of various types, three Claymore mines, and 14 knapsacks. Guerrilla clashes have taken place in Agua Caliente, Los Ranchos, Las Flores, and Nueva Trinidad, where troops of the Bracamonte Battalion, 1st Military Detachment, 4th Infantry Brigade, and 2d Infantry Brigade carried out operations against the civilian population."

The station's announcer reads a bulletin stating that the END, at 1430 on 9 September, clashed with a squadron of paratroopers and a PRAL (Long-range Reconnaissance Patrol) squadron, inflicting a preliminary total of 15 casualties on them. The report adds that "on 9 September, the END clashed with troops of Military Detachment No. 1 of the Bracamonte Battalion at (El Caballete) Hill, Las Flores Jurisdiction, inflicting six casualties."

The announcer states that the END on 9 September carried out intense propaganda activity and inflicted five casualties on troops of the 1st Infantry Brigade along the road between Suchitoto and San Martin, Cuscatlan. He adds that the END clashed with two companies of the Pantera Battalion of the 1st Infantry Brigade in (Las Cabras) Hill, El Pito, and Pena Blanca, inflicting five casualties.

The report adds that at 1000 on 9 September, the END inflicted two casualties on the Belloso Battalion in El Volcancillo, Perquin, Morazan Department. It states that on 8 September, seven other casualties were inflicted on the Atonal Battalion in Santa Cruz and Virginia Cantons, Berlin, Usulutan.

San Salvador Radio Cadena YSKL in Spanish at 1200 GMT on 11 September carries a one-minute report that "a policeman was killed and another wounded during a rebel attack on a motorized security post in Santa Tecla, La Libertad Department, according to an official source." It adds that FMLN urban commando units claimed responsibility for the attack.

Radio Farabundo Marti in Spanish to El Salvador at 0000 GMT on 11 September broadcasts a one-minute report stating that "troops of the 1st Infantry Brigade and elite paratrooper forces have sustained at least 70 casualties during fierce clashes with the END on 9 and 10 September near Suchitoto." It adds that the Military High Command deployed A-37 planes and heavy artillery to bomb Suchitoto. The report states that "END units entered Chalatenango at dawn on 10 September, inflicting eight casualties on Military Detachment No. 1 during a successful surprise attack."

In another 11-minute report the station reports that "at 0240 on 10 September, END units carried out a surprise attack on positions of Military Detachment No. 1 at (Sisilite) Hill, Chalatenango, inflicting eight casualties on those troops." It adds that "at 0900 on 10 September, END units ambushed an enemy unit walking along the Northern Trunk Highway near Kilometer 21, inflicting four casualties on enemy troops."

This report adds that "on 9 September at 0100, an END unit clashed with troops of the anti-democratic troops in Cacaopera and vicinity. The casualty count on the enemy ranks are not yet known, but one of our comrades was slightly wounded."

(Clandestine) Radio Venceremos in Spanish to El Salvador at 0000 GMT on 11 September broadcasts a 12-minute report stating that on 10 September, END columns occupied a coffee cooperative and coffee- processing plant in Ciudad Barrios. It adds that END units clashed with enemy troops at 0800, inflicting five casualties.

San Salvador Canal Doce Television in Spanish at 0300 GMT on 11 September broadcasts a two-minute report stating that FMLN commando units "on the morning of 10 September, torched an urban transportation bus in eastern San Salvador." It adds that a policeman was killed and another wounded in the afternoon of 10 September during an attack by FMLN urban commando units.

Radio Farabundo Marti at 0000 GMT on 12 September broadcasts a 10-minute report stating that END units inflicted "three casualties on Bracamonte Battalion troops at 1100 on 11 September during clashes in Las Vueltas, Chalatenango Department." It adds that also on 11 September at 1600, END units clashed with Tasumal Battalion troops of the 2d Infantry Brigade, inflicting three casualties.

The report states that on 11 September, END units attacked two companies of Cuscatlan Battalion of the 3d Infantry Brigade in San Luis de la Reina, San Miguel Department, and "our comrades claim to have inflicted seven casualties on this battalion."

It adds that "on 10 September, END territorial units sabotaged two utility towers" near El Coco neighborhood, Tacachico Jurisdiction, La Libertad.

Radio Venceremos at 0000 GMT 12 September broadcasts a seven-minute report stating that "on 10 September, END units, using 81-mm mortars, attacked Belloso Battalion positions at (Pericon) Hill, Arambala. Two of our mortars hit the enemy, but the casualties inflicted on that battalion are not yet known."

Panama City ACAN in Spanish at 1639 GMT on 12 September carries a report stating that the Armed Forces Press Committee has told this news agency that unidentified men today at 0840 fired at the security guards of the residence of Colonel Orlando Carranza, commander of Military Detachment No. 5, headquartered in Cuscatlan Department. It states that no group has claimed responsibility, but it is presumed that FMLN urban commando units carried out the attack.

Canal Doce at 0300 GMT on 13 September carries a two-minute report stating that "a clash between the 3d Brigade and FMLN columns in San Miguel left three dead and two wounded. The Army on 12 September

reported that two guerrillas and a soldier were killed in the outskirts of San Luis de la Reina."

Radio Farabundo Marti at 0000 GMT on 13 September broadcasts a five-minute report stating that "at 1300 on 12 September, END units clashed with Military Detachment No. 4 troops near the Osicala Cemetery, inflicting two casualties on the enemy." It adds that "END troops clashed with Tasumal Battalion on 12 September at 0600 in El Quebracho, Agua Caliente, Chalatenango, inflicting two casualties on the enemy."

This report states that "local stations on the morning of 12 September reported that our urban commando units attacked National Guard positions in the Campina neighborhood, in eastern San Salvador. By telephone the commando units claimed to have inflicted four casualties on the enemy."

Guatemala

Further Reportage on Settlement of Belize Issue

Foreign Minister Comments

PA1709171291 Guatemala City PRENSA LIBRE in Spanish 14 Sep 91 p 3

[Text] Foreign Minister Alvaro Arzu Irigoyen said on 13 September that any final solution to the Belize problem must be honorable and dignified. He told the press why he opposed President Serrano's trip to Belize to attend the independence day festivities.

Journalists were somewhat surprised by Minister Arzu's firm and categorical statements. Arzu told reporters that "from now on, any information on international affairs, particularly regarding Belize, must be obtained through the Foreign Ministry."

Arzu denied reports saying that he would have resigned if the president had traveled to Belize. However, he admitted that, in his personal opinion, it is not the best time for the president to visit Belize. We believe, he added, that the Belizean foreign minister should come to Guatemala first to discuss possible agreements and prepare the pertinent formal documents. After that, we could talk about a visit by Belizean Prime Minister George Price to finalize and sign preliminary agreements.

That is why, he stressed, we respectfully asked President Serrano to postpone his trip to Belize. Of course, this matter was handled with President Serrano as we have always handled such matters. We discussed aspects of national interest and reached conclusions that would benefit the country.

Arzu denied that he threatened to resign his post because of President Serrano's inflexible position and insistence on traveling to Belize. However, a top leader of the National Vanguard Party, PAN, confirmed to PRENSA LIBRE that Foreign Minister Arzu had indeed hinted at the possibility of submitting his resignation if President Serrano did travel to the former British colony.

Minister Arzu said that the Foreign Ministry understands that there is a need to improve relations with the Belizean Government, and that Belize is an independent state and has a right to live in peace. However, he said, it is also important for all the offers made by the Belizean Government to be formally discussed and for draft documents to be prepared. Then goodwill agreements can be signed.

Both President Serrano and Foreign Minister Arzu agreed on the need to settle the Belizean problem through an arbitrator in order to ensure full compliance by both sides. Arzu said that a good arbitrator could be Venezuelan President Carlos Andres Perez.

The only PAN leaders who were present at the news conference were its Consular Affairs Director Ricardo de La Torre and Alvaro Heredia Silva, communications, transportation and public works minister.

Regarding the possible resignation of all PAN leaders who are currently in President Serrano's government, Minister Arzu did not make any comments. I just arrived from the inauguration of three schools and am unaware of what is going on at the National Palace, he said.

Belizean Foreign Minister Stance

PA1809014191 Guatemala City Teleonce Television in Spanish 1800 GMT 17 Sep 91

[Text] The discussions about Belize seemed even more controversial after a short visit to Guatemala by Belizean Foreign Minister Said Musa, who headed a delegation from his country.

Musa's blunt reply to reporters during his visit to Guatemala today reflected the controversy that exists in Guatemala with regard to Belize.

A reporter asked Musa if the Belizean Government still maintains its position of not giving up part of its territory in negotiations with Guatemala.

[Begin recording] [Reporter] Belizean Prime Minister Price has always said that [words indistinct] demands in negotiations, Belize will not yield one inch of its territory. Is that still the Belizean Government's stance?

[Musa, answering in English] Yes.

[Reporter] Not one inch of its territory?

[Musa] [passage indistinct] [end recording]

The reporter first asked Musa if the government of Prime Minister George Price still maintains the position it has repeatedly proclaimed locally and internationally in the sense that in negotiations with Guatemala, Belize will not yield one inch of its territory. After Musa replied with a clear yes, the reporter insisted on confirming the answer, and the reply was again categorical.

Other aspects of the problem were discussed by Musa and Guatemalan Foreign Minister Alvaro Arzu, who also referred to British aid to Guatemala in the near future as a result of this process of rapprochement between Guatemala and Belize.

[Begin Arzu recording] As you know, during all these years of territorial dispute with Belize, the UK has abstained from giving Guatemala any type of cooperation or aid in the economic, technical, scientific, or technological fields. Now, the British Government has decided to resume that cooperation. Part of that cooperation could be in the form of funds to build a road in Peten Department, and one-third of that aid could be invested in the construction of a road linking Guatemala and Belize. Therefore, in no way should this be seen as payment or some kind of negotiation. It is simply that the British Government has again opened the possibilities for economic, scientific, technological, and many other areas of cooperation we have received from many other industrialized countries, which we will again receive from the UK. [end recording]

Declaration Establishes Relations

PA1809013991 Panama City ACAN in Spanish 0048 GMT 17 Sep 91

[Text] Guatemala City, 16 Sep (ACAN-EFE)—The governments of Guatemala and Belize today signed in the Guatemalan capital a joint declaration establishing ties of economic, social, and cultural cooperation.

The foreign ministers of Belize and Guatemala, Said Musa and Alvaro Arzu, respectively, exchanged views on the recently initiated diplomatic relations and on their intention to resolve the dispute that still exists between their countries.

The Belizean and Guatemalan delegations expressed their firm decision to form bilateral commissions that will be tasked with seeking agreements in economic, social, and cultural fields.

Among the agreements signed by both governments, the joint exploitation of specific areas of the Belize zone of economic exclusion should be noted.

Other agreements that should be pointed out are the permanent access granted to Guatemala to the Caribbean through Peten Department, the use and reciprocal development of port facilities, and cultural and educational exchanges, including scholarships for students at different levels.

Musa today paid an official visit to the Guatemalan capital, accompanied by former Foreign Minister Dean Barrow and Robert Leslie, high commissioner of Belize to the UK.

During Musa's meeting with President Serrano, the Guatemalan president formally invited Belizean Prime Minister George Price to pay an official visit to Guatemala on 28 and 29 October of this year.

With regard to cooperation in the area of tourism, the agreement establishes a follow-up accord on the Maya World Project, in which Belize and Guatemala are already participating, as well as the beginning of joint tourism projects—on land and at sea—that will benefit both countries.

Both governments also agreed to cooperate in the struggle to eradicate the production, trafficking, and illegal consumption of drugs, narcotics, and psychotropic substances.

The Belizean representatives expressed the support and satisfaction of their government for the initiative of total peace promoted by President Serrano, highlighting the importance of finding political solutions to the armed struggles in Central America and to promote the advancement of the democratic governments in the region.

The Belizeans also noted that, since Belize is part of the area, steps to promote its full participation in the integration processes of the region should be expedited.

"Also, since Belize is a member of Caricom (Caribbean Common Market), this could serve to establish political, economic, and cultural ties between the Caribbean and Guatemala," the bilateral document concluded.

Relations with Belize

PA1709195591 Guatemala City PRENSA LIBRE in Spanish 15 Sep 91 pp 2, 32

[Article by Alvaro Galvez Mis]

[Text] The solution to the old problem of Belize seems to have been complicated once again, when the government suddenly changed its procedure by recognizing the independence of the former British colony. President Serrano suspended his trip to that territory, and the Foreign Ministry announced measures to resolve the conflict, as some political leaders of the country pointed out.

President Serrano had announced that he would attend the Belize independence festivities scheduled for 19 September. However, the position adopted by Foreign Minister Alvaro Arzu Irigoyen not only suspended the president's trip, but completely changed the rapprochement program with the territory under dispute.

Analysts of national politics praised Foreign Minister Arzu's stand, because they said he prevented the president's trip to the former British colony and announced the correct procedure to be followed in order to solve the conflict—as long as there is an honorable and dignified negotiation, he said.

President Serrano initially announced the recognition of the self-determination of the people of Belize. He later recognized their independence, and he then spoke of his visit to the former colony to sign the first agreements with Prime Minister George Price. He was planning to solve the problem once and for all by December 1991 at the latest.

However, there are over 100 officials in the current administration who are members of the National Vanguard Party (PAN), of which Arzu Irigoyen is one of the main leaders. The party, including its legislative wing, threatened to pull out of the public administration and planned total opposition to President Serrano, Mario Taracena Diaz-Sol explained.

The truth is, Arzu told the reporters, we do not share President Serrano's idea of traveling to Belize for the following reasons:

1. We believe Belizean Prime Minister George Price should first visit our country.

2. The Guatemalan and Belizean Foreign Ministries should thoroughly analyze the possible negotiations so that they can be drafted accordingly.

3. After these documents have been drafted, the foreign ministers should jointly inform the people what is happening, and then organize a meeting of the leaders in order to sign the agreements. In the case of Guatemala, the people should be consulted, through a referendum, about any plans for a solution, Foreign Minister Arzu emphasized.

A high-ranking PAN leader said these statements emphasized that the Foreign Ministry completely changed its program of rapprochement toward Belize, and established a program of previous activities [sentence as published]. He pointed out that after nearly eight hours of discussion, President Serrano accepted Arzu's proposals and recognized that his own plans concerning the former British colony were hasty.

Arzu explained that PAN is not co-ruling the country as some have speculated, but their plan is within the framework of a highly nationalistic concept. We are in the government of unity, led by President Serrano, and we will help him solve the various problems of the country.

However, Arzu clearly pointed out that Belize is an independent state which the previous administration recognized at the OAS, when the Guatemalan delegation applauded the arrival of the Belizean representatives. He pointed out, nevertheless, that negotiations with regard to the conflict should be honorable and dignified.

The foreign minister did not want to comment at all on the arrival of the Belizean ambassador to Guatemala, but the newsmen who spoke with him at the National Palace on 13 September understood that the arrival of the representative of the former British colony might be postponed.

Some political leaders, such as Gabriel Giron Ortiz of the Nationalist United Front (FUN) and Dr. Jose Luis Chea Urruela of Democratic Action (UD), applauded Foreign Minister Arzu's stand which corrected President Serrano's action.

However, the president received unanimous support from various countries of the world, as well as from the OAS and the United Nations, for his plans to resolve the old conflict with Belize. On 13 September, President Serrano commented to reporters that it is necessary to implement a bold policy in order to solve the various problems of the country.

Belize, he said, is an independent state and should be recognized as such by Guatemala. He admitted that Guatemalans still have sentimental attachments to that territory, but the situation is a fact that cannot be changed: Belize is not ours, the president emphasized.

According to political analysts, the president is acting in good faith and is seeking to solve the old conflict, but it is not feasible to solve in just 30 days a problem that dates back 180 years. Dr. Chea Urruela said, however, that the problem should be discussed with sufficient time and a solution should be found next year.

Rebels Issue Communique on 13 Sep Activities

PA1709183891 Guatemala City SIGLO VEINTIUNO in Spanish 15 Sep 91 p 6

[Text] In its official battle report, the Guatemalan National Revolutionary Unity has reported that several clashes with the Guatemalan Army took place last week in various areas in the interior of the country.

On 13 September, a military detachment was attacked in the northwestern Quiche Department and the main access roads to the municipal government building were blocked.

That same day, the Guatemalan Armed Forces sustained four casualties during clashes in Cari village and the San Juan 15 settlement in the jurisdiction of Ixcan municipality, the report added. It was also reported that Chahal municipality, Alta Verapaz Department, was occupied for several hours after the guerrillas held meetings with the townspeople.

The rebels simultaneously took control of several stretches of the northern road linking the towns of Chahal, Fray Bartolome de las Casas, and Coban, the capital of Alta Verapaz Department, the communique concluded.

Nicaragua

Recontras Plan Meeting To Form United Position

PA1709183291 Managua Radio Sandino in Spanish 1200 GMT 17 Sep 91

[Text] The six recontra military commanders plan to meet in the Jinotega mountains for three days, beginning 28 September, to forge a united position with regard to the political and social demands they are making to the government of President Violeta Chamorro.

According to information obtained by our reporters, Encarnacion Valdivia, better known as El Tigrillo, will coordinate the meeting. It will take place at a site the rebels are keeping secret for security reasons.

El Tigrillo has been able to secure the participation of El Indomable [Jose Angel Moran Flores] despite the fact

that El Indomable was left out of the Council of Commanders that was created three weeks ago following the foiled San Rafael del Norte meeting attended by Government Minister Carlos Hurtado. El Campeon [Jacinto Tercero], Bolivar [Jaime Zeledon Benavides], Bigote de Oro [Alcides Rodriguez], Dimas Tigrillo, El Indomable, and El Tigrillo will participate in the 28 September meeting, according to the information we have.

We are trying to obtain more information on the meeting of the recontra leadership, which supposedly is preparing for a meeting with top government leaders.

* Recontras, Sandinists Reconcile in Region 5

91P40435B

[Editorial Report] Managua LA PRENSA in Spanish of 29 August 1991 on page 15 reports that Sandinists and former members of the Nicaraguan Resistance have reached an understanding and are living in harmony in Region 5. According to the article, following the events of last November on the Rama Road, mayors from Region 5 mediated between Sandinists and former contras in order to reach an agreement. El Rama Chief of Police Frank Gutierrez explains that many former contras work as volunteer police in their communities to combat crime. Gutierrez explains that the key to reconciliation in El Rama is that police officers have a professional attitude. He further explains that the voluntary police and police officers work together to catch cattle rustlers and collect weapons from the civilian population. "From time to time we meet with the mayor, the former Resistance, and the Sandinists to discuss problems in the communities and the city," Gutierrez stated.

Deputy Director of the Repatriation Institute Oscar Sobalvarro explains that the reasons why there are fewer problems in Region 5 between former contras and Sandinists are that the mayors have a great deal of influence over the former contras, the Sandinists have not acted rashly, and the demobilized in this region, who are fewer in number than in Region 6, have been given land, which has reduced tensions.

* Youths Joining Recontra Movement Reported

91P40435B Managua LA PRENSA in Spanish 28 Aug 91 p 30

[Excerpts] "We are not recontras [former contras who have taken up arms], we are new contras." That is the response of young people who have recently joined the rearmed groups operating in the northern regions of the country. The majority are from families whose members have been harassed in one way or another by the EPS [Sandinist People's Army].

Rodolfo Amaie, known as "El Invisible," made statements to LA PRENSA confirming that two youths arrived in his office after their father was harshly punished for having refused to give the whereabouts of the recontras. They decided to go to the mountains out of fear.

During the recent attack in Corral de Piedra where 17 people died, dozens of rearmed contras came down from the mountains to try to identify their comrades.

It was then that curious onlookers and journalists discovered that among them were youths as well as some female commanders. Their main reason for joining is the lack of security they feel in the mountainous areas where the law of the jungle rules.

In the northern mountains repression has been the experience of the peasant population for many years. With the end of the war the peasants finally felt relief and were ready to begin farming.

But their reality has turned out to be otherwise. According to the boys, although the EPS has not started any battles, it has harassed families who collaborated with the former contras.

"Many people in this region have preferred to go to the mountain, because they have had bitter experiences," explained former contra commander Invisible. [passage omitted]

"The old ones are the recontras. We are new and we are here for security measures," said Alvaro and Martin, who are part of the "Rojito" column.

Armed with AK rifles and wearing military clothing, they have left behind school and sowing for the mountain, in whose shadow they were born and where the war of the last 10 years was waged.

"We do not want war, but we are afraid that the same thing will happen to us that happened to others we know who have died or have been beaten by the army."

* Commentary Views Waning FSLN Influence

91P40435A Managua LA PRENSA in Spanish 27 Aug 91 p 4

["Ortega Dissolves the FSLN" by Jose Davila Membreno]

[Text] The title of this article is not true, relatively speaking. In view of the recent events in the Soviet Union, news of which Nicaraguans have been reading so eagerly, it is necessary to reflect on what is happening in Nicaragua's PCUS, i.e., the FSLN [Sandinist National Liberation Front].

In reality, it is not necessary for a general secretary to dissolve a party which has already faded into history, as was the case with the PCUS; however if the leadership of a party blindly refuses to recognize that times are changing, and that the people and history are moving forward, then it is up to the party's own rank and file and militancy to adopt different positions which will turn the leadership into an "empty shell."

In Nicaragua, for the benefit of democratic parties, the FSLN leadership has made no changes to put it in step

with the new reality taking place in Nicaragua, a reality which requires not only changing its image but also entirely new plans for the future.

I find it difficult to believe that the Nicaraguan Army, which is under the direct influence of the FSLN, would stage, or seek to stage, a coup such as the one attempted by Yannayev and the military, because a coup against a government as legitimate as Dona Violeta's would be more absurd than the sad spectacle recently perpetrated by the reactionaries in the Soviet Union.

However, it may not be necessary for the Sandinist army to stage a coup in order for the FSLN to fade into history, because there has been a series of "minicoups" on a daily basis which the people have been rejecting on a daily basis. These "minicoups" take place under the following circumstances:

1) When the military authorities, even in a small town, disobey the civilian authorities, who were elected by the people.

2) When the chiefs of police offer opinions on political and strategic issues which fall under the higher civilian authority of the Ministry of Government.

3) When the Sandinists do not seriously join in the task of reconstructing the country, for whose near-destruction they are responsible.

4) When, in taking advantage of the right to maintain their military structures, particularly in distant regions, the Sandinists harass, threaten, and even kill former contras who have been forced to disarm.

5) When many Sandinists act arrogantly, rudely, and as stool pigeons in offices, neighborhoods, and every community.

These "minicoups" as well as others, exacerbate events in Nicaragua when:

l) Sandinists try to abuse the good will of Dona Violeta's government, which more than any other government in the world is giving them the opportunity to reform and adapt to the democratization process, which they, however, are using for their own interests and political intrigues.

2) Through their attitude they revive or legitimize extreme demands and actions, which receive attention because of the Sandinists' support. These actions are for the purpose of putting pressure on the legitimate government, which Dona Violeta wishes for all Nicaraguans.

If to this historical erosion of the FSLN we add that its two surviving slogans: "anti-imperialism" and "fighting for the poor," then we can say that the FSLN are in a tremendous crisis, not only because the former has been diluted by the passing from geopolitics to geoeconomics and the latter because it has been taken up very seriously and sincerely by the government, then we must conclude that the FSLN is "dissolving."

History, the aspirations of the people, the new realities that are coming to the fore are what define the existence of a political party, not its leaders who swell up with overblown pride in order to maintain positions for their own personal benefit.

Therefore, the title of this article does hold an element of truth because the fog over the FSLN leadership and its rejection of change are dissolving that party unless a Boris Yeltsin or Gorbachev emerges.

Panama

Vice President Orders Investigation of Nephew

PA1709191491 Panama City LA PRENSA in Spanish 17 Sep 91 p20A

[Text] At the request of Second Vice President Guillermo Ford, we are publishing the text of the letter he sent to Attorney General Rogelio Cruz regarding charges against customs official Geronimo Ford Barras. Attorney General Cruz personally received the letter yesterday at 2000. In its 16 September issue, LA PRENSA referred to the letter in a news report on the case. Ford's letter reads as follows:

Mr. Attorney General: I met with Customs Director General Rodrigo Arosemena today at 1700. He apprised me of certain activities carried out by Mr. Geronimo Ford Barras, a Customs Directorate employee in Panama City's Paitilla Airport.

The information I received is as follows:

1. On 1 September 1991, Geronimo Ford Barras sent a letter to Sublieutenant Juan Carlos Cerezo, an officer at the Obaldia Port detachment, written on Customs Directorate stationery. The letter read as follows:

"Dear Sir: I am writing this note to convey my best regards and to forward to you the agreed upon note related to the bundle of money to pay for merchandise and all other related expenses from the Free Zone in Obaldia Port to Colombia. Orlando Castanedas and Victor Buendia will be bringing the money, and the only persons authorized to withdraw it are Isaac Cohen, Ovidio Ocampo, and Pedro Soto. Thank you in advance for your cooperation."

In addition to an earlier transcript, I am attaching a photocopy of said letter, which Customs Director General Rodrigo Arosemena personally delivered to me.

2. Mr. Arosemena also informed me that Mr. Geronimo Ford Barras accompanied Mr. Orlando Castanedas from Obaldia Port to the Paitilla Aiport on 31 August of this year. On that occasion, he was carrying $400,000 in cash. Moreover, Mr. Castanedas carried $400,000 and $100,00 on 4 and 5 September, respectively.

Owing to the information obtained, I am asking you to immediately begin the appropriate investigation and to take the necessary preventive measures.

Sincerely yours,

Second Vice President Guillermo Ford

Investigation Begins

PA1709183191 Panama City LA PRENSA in Spanish 16 Sep 91 p 1A

[Report by Vilma E. Figueroa B.]

[Text] Attorney General Rogelio Cruz has revealed to LA PRENSA that he is investigating the alleged involvement of Geronimo Ford, assistant customs security chief and nephew of Second Vice President Guillermo Ford, in the introduction of large amounts of money into Panama through Puerto Obaldia on the Colombian border.

Cruz said that the Puerto Obaldia investigation began on 6 September and will last several months. The investigation began after Vice President Ford personally delivered a letter in which he reported the smuggling of dollar bills through Puerto Obaldia and mentioned his nephew, Geronimo "Jerry" Ford.

"He (Guillermo Ford) said that I was free to fully investigate the matter and adopt drastic measures, if necessary, in connection with his nephew," Cruz said.

Cruz also revealed that the Attorney General's Office has depositions on Isaac Cohen, a nationalized Panamanian who owns a business in the Colon Free Zone; Sub Lieutenant Cerezo, chief of police in Puerto Obaldia; Sergeant Ward; Olmedo Aguilar, current customs chief at the Paitilla Airport; and even "Jerry" Ford.

Cruz said that he has two reports presented by National Police Director Gonzalo Menendez Franco. Fuminelis Iglesias, an alternate legislator and current chief of customs in Puerto Obaldia, is supposed to testify this week.

LA PRENSA was able to learn that the latest shipments of money to arrive in the country through Puerto Obaldia were three consecutive shipments of $400,000 each, one shipment of $300,000, and another of $800,000, making a total of $2.3 million.

It was reported that a witness assured the Attorney General's Office that in January the police discovered excessive amounts of money were being brought in from Colombia by a middleman with the surname of Ocampo. The money was rolled up and tied with rubber bands. The police caught Ocampo and seized the money.

"Jerry" Ford arrived at Puerto Obaldia early this month with Ovidio Ocampo and another person whose identity is unknown. Ford identified himself as a customs official who had the right to release the money.

It was reported that "Jerry" Ford tried to release the large amounts of money several times, saying that the money had to arrive at the Free Zone. However, the police would not permit it and Ford agreed to sign a note, which is now being held as evidence at the Attorney General's Office.

The attorney general also referred to his participation in the latest cabinet council, where it was stated that any sum over $2,500 brought into the country had to be declared. Nevertheless, Cruz said he had explained the reasons for the measure and its legal grounds. This resulted in the issuance of a joint cabinet-attorney general declaration announcing that the limit would be $10,000. Cruz warned that he expects the instructions to be implemented and he will make sure it is done.

Referring to the writ of habeas corpus filed against him for adopting the measure, Cruz announced he is prepared to answer at the Supreme Court of Justice. "I believe that a business leader said that both Customs Director Rodrigo Arosemena and I are at the service of the DEA; this is insolent and shows a lack of respect. That businessman should be sent to take a course on civic and moral values," Cruz said.

"I am prepared to fight because I believe that the measure is justified, that it abides by the law, and that it will allow honest businessmen to continue their activities but keep others from criminal activities."

Cruz also revealed that he will ask the Banking Commission to verify if all the banks are implementing the measure. He said he will request a report that determines if other persons are involved in money laundering activities.

The other case, he said, is that the Customs Directorate has been asked to present reports on persons who travel to Panama with sums in excess of $10,000 or its equivalent in foreign currency.

A banking source told LA PRENSA that the Attorney General's Office has information that the banks are not verifying the origin of deposits in excess of $10,000. He said that banking officials simply receive the declaration and file it so that the Banking Commission does not check whether the money is linked to drug money laundering activities.

Argentina

Privatization, Public Works Program Announced

PY1609024691 Buenos Aires BUENOS AIRES HERALD in English 14 Sep 91 p 5

[Text] (NA)—An ambitious privatization and public works programme was announced by the government yesterday.

It includes the full handover of Ferrocarriles Argentinos to private hands by 1993 and an 800 million-dollar investment in roads and bridges, to be financed partly by the World Bank.

Transport Undersecretary Edmundo Soria also reported yesterday that a 43 million-dollar claim by Iberia in the Aerolineas Argentinas privatization had been officially turned down by the government.

Soria also said that between 15,000 and 20,000 Ferrocarriles employees would be leaving the company on a voluntary retirement plan before the formal handover of the railway.

Soria said that Ferrocarriles is losing 60 million dollars a month at present.

Justice Minister Swears In New Solicitor General

PY1709225691 Buenos Aires BUENOS AIRES HERALD in English 17 Sep 91 p 11

[From the "Argentina in Brief" column]

[Text] (NA)—Aldo Montesano Rebon was yesterday sworn in as the new solicitor-general as Justice Minister Leon Arslanian administered the oath of office. Outgoing Solicitor-General Oscar Roger left the office because of health reasons. Rebon was the Domestic Security Undersecretary within the Interior Ministry.

Bolivia

FELCN Commander Discusses 'Repentance Law'

PY1809125691 La Paz PRESENCIA in Spanish 13 Sep 91 p 7

[Excerpt] Retired General Elias Gutierrez, commander of the Special Antinarcotics Force, FELCN, told PRESENCIA that due to the economic power of drug traffickers, the "big fish" can continue to run drug-trafficking operations from inside prison. This is possible despite their repentance but not "with the same effectiveness as when they were free." Gutierrez' comments coincided with the position of some of the Bush administration's advisers.

However, with the repentance law approved on 29 July 1991, it is expected that with the surrender of the drug "chiefs" the drug rings' economic power will be weakened.

In a growing battle against cocaine production, the government persuade three alleged drug trafficking "big fish" to surrender. The efforts to get other drug traffickers to surrender to Bolivian justice depends on Interior Ministry officials, who are working hard for the "upcoming" surrender of Hugo Rivero Villavicencio.

Gutierrez also said that as long as drug-trafficking "leaders" are free and operating "normally, drug consumption will go up."

He added: "Drug trafficking will not end because the ones replacing the leaders will always appear." But the surrender of the "chiefs" will be an important step because "it takes time for the new leaders to be trained and to get experience," during which the drug rings can be dismantled.

In the face of insistent rumors from diplomatic representatives and congressmen that drug trafficking is increasing despite the repression and the "repentance" law, Commander Gutierrez said: "If we allow drug traffickers to operate normally, drug consumption will increase. I believe that interdiction measures should be implemented to try to reduce consumption."

Gutierrez believes that the most delicate aspects of the overall struggle against drug trafficking are prevention and rehabilitation. It is necessary to strengthen these aspects to carry out an effective struggle against drug trafficking. He said: "I believe the educational part is essential to prevent drug addiction and to rehabilitate the addicts infesting the major cities."

The most visible centers of drug trafficking are big cities such as La Paz, Cochabamba, Santa Cruz, and Beni, which have become potential markets where drug-trafficking channels have been established.

Gutierrez said: "It is very difficult to answer with precision" if drug trafficking has increased in the country "but it is true that a large part of the coca grown in Chapare is used for making cocaine."

Gutierrez believes that the blows against drug traffickers are getting more accurate. He added: "The drug traffickers have been cornered and it is becoming more difficult for them to operate with the freedom they had."

In addition to the direct actions of interdiction, there is the so-called "repentance law" that has led some drug traffickers to surrender, and others to send letters to the Interior Ministry expressing their desire to surrender.

Gutierrez said: "It is a very positive measure because the drug chiefs or leaders are not easy to replace, they cannot be created overnight. It is the same way even in politics."

The optimism about the surrender of the "big fish" of drug trafficking also is shared by Gutierrez, who said that those who "repented" will seek to appear before the law at the appropriate time and under favorable conditions. [passage omitted]

Brazil

Collor Pleased by Council of Republic Meeting

PY1809025291 Brasilia Voz do Brasil Network in Portuguese 2200 GMT 17 Sep 91

[Excerpts] President Fernando Collor has postponed the message he was to deliver to the country at the opening of the Council of the Republic meeting. The message will be delivered when he announces the second version of his proposal to amend the Constitution.

The first meeting of the Council of the Republic began at 1000 and lasted three hours and 20 minutes. President Collor said the meeting was exceptionally good, better than the government expected.

The meeting began with Collor's report on the difficulties Brazil is experiencing. After that, Economic Policy Secretary Roberto Macedo presented charts and figures on the current state of the Brazilian economy in order to emphasize the need to change the Constitution. Macedo said the situation is so critical that in 1992, the federal government will have only 2 percent of the national budget to invest in essential areas such as roads, telephone services, housing, and electrical energy. After Macedo's explanation, President Collor invited each of the 15 council members to give his opinions on the proposal.

Presidential spokesman Claudio Humberto said the president was satisfied with the consensus reached by the council members on the Brazilian crisis and the need to profoundly modify the Constitution. [passage omitted]

Claudio Humberto also said that President Collor's next step will be to hear the workers in order to conclude the proposal to modify the Constitution and thus, help Brazil overcome its difficulties.

Deputy Ricardo Fiuza, the Chamber of Deputies majority leader, said that the council meeting was extremely positive.

[Begin Fiuza recording] The president opened the session by voicing his justification for the proposals presented, which were accepted by all council members. Then, we discussed issues that, as a member of the chamber's majority bloc, I already knew. We discussed our true economic situation, increased public expenses, and the need to immediately implement the privatization program if we do not want to witness real chaos in our economy and a bankrupt government that can no longer finance its deficit. [end recording]

According to Saulo Ramos, former justice minister and former general counsel of the Republic, Brazil's governability depends on a stable Constitution.

[Begin Ramos recording] It is not difficult to reach a consensus on what modifications must be made to our Constitution, and thus eliminate obstacles to our development. We have huge problems, such the concentration of wealth in certain parts of the country and our Constitution's opposition to foreign investment in our country. We also have problems with certain inflexible professional sectors of our society. These difficulties are forcing the poorest strata of our society and the workers to pay for the luxury of unbendable constitutional rights. [end recording]

Deputy Genebaldo Correa, the Chamber of Deputies minority leader, said that the political parties are willing to analyze the proposals for modification.

[Begin Correa recording] As an opposition representative at the council, I can say that our parties—and I speak in the name of the Brazilian Democratic Movement Party—are willing to analyze the measures and to contribute to their approval without discussing their merit because this is a prerogative of the National Congress; it is not to be done during a meeting of the Council of the Republic. [end recording] [passage omitted]

Foreign Debt Negotiator Departs for New York

PY1709131491 Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 17 Sep 91

[Text] Brazilian Foreign Debt Negotiator Pedro Malan traveled to New York 16 September to make new contacts with creditor banks. He will continue to negotiate for long- and mid-term agreements over the debt.

Last month Pedro Malan presented to the banks the Brazilian Government's proposal which, he said, was well received. Brazil wants to convert its outstanding debt into five kinds of bonds. The proposal is based on the Brazilian ability to pay.

[Begin Malan recording] Our proposal is strictly based on the international market reality and on the figures of Brazilian economy; that means not only our trade and balance of payment, but our public sector as well, since the public sector defines our payment capability for the next few years. [end recording]

The banks' counterproposal should be presented in New York before the end of this week.

Pernambuco Governor Advocates National Agreement

PY1709014891 Brasilia Voz do Brasil Network in Portuguese 2200 GMT 16 Sep 91

[Text] Pernambuco Governor Joaquim Francisco Cavalcanti supports the national agreement proposed by President Fernando Collor to overcome the crisis affecting the country. Cavalcanti met today with progovernment Senate leader Marco Maciel.

President Collor has instructed Maciel to brief governors from the northeastern sector of the country on the constitutional reform proposals that will be submitted to Congress by the executive branch this week.

Cavalcanti said an agreement is essential for the country's future.

[Begin Cavalcanti recording] The president is only awaiting the results of the agreement. If this result is negative, there will be disagreement, and the crisis will become even more serious. Therefore, I am supporting the efforts to reach an agreement. [end recording]

Cavalcanti said that the governors who met in Brasilia last month greatly contributed to the process of national agreement proposed by President Collor.

Oil Workers Strike Causes Gas Shortages

PY1709020091 Rio de Janeiro Rede Globo Television in Portuguese 2300 GMT 16 Sep 91

[Excerpts] A gas shortage was reported in Sao Paulo on the sixth day of the oil workers strike. Gas dealers have suspended home deliveries, while workers in charge of bottling gas now have joined the strike.

Trucks in garages, idle machines, consumers running after gas bottles even at dealers' facilities—the oil workers' strike itself had caused consumers to worry a lot that they might run out of gas. Today the situation became even worse as the workers in charge of bottling gas and gas dealer workers also joined the strike. Many Sao Paulo gas dealers did not even open today. [passage omitted]

The superintendency of Paulinha, the country's largest oil refinery—which is located in Sao Paulo—has reported that the pumping of gas was resumed this afternoon and that gas dealers are expected to receive 4,500 metric tons of gas by tomorrow. This is equivalent to 350,000 13-kg bottles.

Gas shortages also were reported in other states. In Curitiba, several gas shops began the week without supplies. There were lines in the shops that still had some gas. Many consumers went straight to gas dealers' facilities.

In Caxias do Sul, Rio Grande do Sul, the largest gas dealer sold the last bottles at the end of the morning.

In Porto Alegre, the ship Guaruja, which is transporting gas for dealers, is anchored at the port but unable to unload. The strike by gas-bottling workers left 50 percent of the cargo in the ship.

In Bahia, one of the state-run gas dealers reduced home deliveries because the Madre de Dios facility discontinued pumping gas. The other dealer sold one 13-kg bottle per person.

Lack of Funds Reduces Air Force Flights

PY1709150491 Rio de Janeiro O GLOBO in Portuguese 15 Sep 91 p 15

[Report by Monica Prado]

[Text] Brasilia—The lack of funds to purchase spare parts for its planes will force the Aeronautics Ministry to reduce its flight hours next year. The lack of spare parts will prevent the ministry from maintaining this year's level of flight hours. The value of the spare parts dropped this year from $600 million to $400 million. This is the total value of the spare parts stock on the ministry's shelves. The number of flight hours was already cut at the beginning of the year because of a lack of funds to buy fuel.

Brigadier Socrates Monteiro, an adviser to the aeronautics minister, said: "The situation is not alarming yet because we have not reached a critical level. The current shortage can be overcome by cannibalizing planes that are not flying, such as the Avros (a troop-carrying and passenger plane)."

Even if the ministry received a substantial budget in 1992, the problem would still persist. Some parts, like those for the Mirage that are imported from France, have a lead time of two years.

The adviser said:" These orders have been expedited by controlling the lead time. The current stock is enough for the present number of flights because they were cut by 40 percent due to a lack of money for fuel.

He added: "The Brazilian Air Force considers fighters and patrol flights to be priority," but points out that in 1992 it will be more difficult to meet the requests made by the Funai [National Indian Foundation], the Federal Police, the Health Ministry, and other government organizations.

This year, (F-5, Mirage, and AMX) fighter pilots had their flight hours cut to 120 hours per year. The pilots have said that this is a minimum level but is not ideal if compared with the hours flown by European and American pilots who fly an average of 300 hours. For the airplane demonstration during the 7-September parade, the FAB flew a formation of eight Mirage planes, half its fleet, to "give an unequivocal civic demonstration," according to an Aeronautics Ministry report.

This demonstration, which involved 65 aircraft, was carried out thanks to a supplemental credit of 20 billion cruzeiros for fuel. According to Minister Socrates, since 15 August when the FAB ran out money for fuel, flights are being made "by charging them to Petrobras [Brazilian Petroleum Corporation]."

"This situation cannot last long or pilot training will be affected," the minister said. Despite this, the ministry is assuming that the situation will change as of 1993.

Chile

Argentine Defense Minister Arrives, Lauds Ties

PY1809022691 Santiago Radio Cooperativa Network in Spanish 2300 GMT 17 Sep 91

[Text] At 1520 today, Argentine Defense Minister Antonio Erman Gonzalez arrived at Pudahuel Airport at the head of an Argentine delegation to the 18-19 September Chilean independence day celebrations.

Chilean Defense Minister Patricio Rojas met the Argentine delegation, which is the largest foreign delegation, consisting of 100 representatives of the three Argentine forces, at Pudahuel Airport.

In his first remarks to the local press, the Argentine minister emphasized the current good level of Argentine-Chilean bilateral relations and expressed the hope that mistrust between our two nations will be overcome once and for all.

[Begin Gonzalez recording] [words indistinct] with great satisfaction we are conveying a special message from the Argentine president to the Chilean people and president. Through this fraternal visit, we hope to gradually end the mistrust and suspicion that, for too long, have precluded us from achieving the unity and friendship we should have. [end recording]

Gonzalez added that there is no reason to mistrust each other in democracy; instead, we should try to increasingly promote our mutual integration.

This afternoon, Gonzalez will make a courtesy call on President Aylwin. On 18 and 19 September, he and the other members of his delegation will attend the traditional Te Deum and military parade scheduled for this year's independence day celebrations.

Finance Minister Interviewed on Economic Issues

PY1709164291 Sao Paulo FOLHA DE SAO PAULO in Portuguese 15 Sep 91 Section 2 p 10

["Exclusive" interview with Finance Minister Alejandro Foxley by Caio Blinder at Notre Dame University, United States; date not given]

[Text] [FOLHA] The general opinion in Latin America, both critical and otherwise, is that there has been a carryover of economic matters between the military dictatorship and the democratic government. What is your opinion of this?

[Foxley] I would like to emphasize the following points:

First, we are trying to reach a balance between economic and social development. We want to achieve a fiscal surplus that can allow us to increase social spending by up to three percent of the Gross Domestic Product. The Pinochet administration imposed a compulsory modernization system in which the majority of the population did not participate.

That is why he lost the referendum and had to leave power. We are determined to maintain the fiscal balance because we know that is the way to eliminate all mistrust in the administration by entrepreneurs;

Second, we have succeeded in increasing the investment ratio (15 percent during Pinochet's administration compared to 20 percent today). We broke a 30-year-old record in the amount of capital invested in the country;

Third, our economic policy is based on a social pact. We meet with workers and managers regularly.

[FOLHA] Are those all the points of similarity with the previous administration?

[Foxley] The government considers important its commitment to maintain the market economy. In fact, we have progressed further because we have produced a fiscal surplus. We did not enlarge the state apparatus despite some pessimistic forecasts.

[FOLHA] What is the secret for achieving economic stability?

[Foxley] It has to do with the political factor. Today the country is more mature. The dictatorship was a painful experience that encouraged Chileans to think things over. There is a new political mentality of cooperation and awareness that considers the state to be a national concern, not a partisan issue. Our model demands long negotiations in the search for agreements. For instance, economic packages are carefully considered and launched only after reaching a consensus on their effects on society.

[FOLHA] Does the process require massive privatization?

[Foxley] We have to clear up a few points. In Chile there is little left to privatize today. Our state enterprises are efficient and produce surpluses that are invested in works of infrastructure and social areas. We are not going to privatize successful firms. We are aware of the dangers of oversized state enterprises which tend to become autonomous from state control.

[FOLHA] Are there any holes in the model?

[Foxley] I admit that the biggest problem continues to be in the social area. We have 7.4 percent unemployment. In order to maintain a dynamic economy, we need to further increase private capital investments, both national or foreign.

[FOLHA] Chile is negotiating a free trade agreement with Mexico. Why not invest more in the Mercosur [Common Market of the South]?

[Foxley] Integration demands economic sacrifices. We are not going to integrate with countries that have not put their own houses in order. Brazil and Argentina still need to make a lot of adjustments. We want to see more

predictable monetary and foreign exchange policies. We want partners who can guarantee economic stability.

[FOLHA] What keeps you awake at night?

[Foxley] Impatience. Chile is a small and poor country. The country allocates considerable resources to the poorest sectors, but not enough. I fear those politicians who seek to revive the ghosts and slogans of populism and the distribution of wealth during elections. Populism is very harmful for democracy. The way to sway impatience is to avoid useless rhetoric. Democracy is an exercise in patience. Nothing is more politically profitable than to tell the naked truth to the population. That is the source of a government's credibility and it should be the new Latin American political language.

Membership in Nonaligned Movement Supported

PY1409164091 Santiago Radio Cooperativa Network in Spanish 2300 GMT 13 Sep 91

[Text] Foreign Ministry Under Secretary Edmundo Vargas has rejected criticism for his participation in a recent Nonaligned Movement meeting. It is absurd, he said, to attempt to reduce or dismiss the importance of the Chilean presence in this 102-member group.

He said the movement, which was created in the 1960's, had a certain amount of power and its voice was heard in those years, adding that it still plays a major role today.

Regarding the significance of Chilean participation in the movement, he said:

[Begin recording] I believe any responsible person who stays abreast of events knows that Chile should participate in existing forums. The Nonaligned Movement has a membership of 102 countries, and it is a very important forum in which resolutions have been passed in the last few years on Bolivia's aspiration for an outlet to the sea. This forum has also considered proposals on the internationalization of Antarctica, which obviously contradict Chile's traditional position.

I believe that only an irresponsible person would oppose Chile's presence in the Nonaligned Movement. Before the meeting, I read reports on remarks by Pedro Daza, former Chilean ambassador to the United Nations, who highlighted the importance of the Nonaligned Movement. Daza noted his efforts to include Chile in the movement's 1989 meeting in Belgrade. He said that at that time it was very difficult for Chile to receive an invitation to the meeting. [end recording]

Now we are participating, but we are criticized for it, Vargas said. The group's immediate objectives are participation in the world environmental preservation conference in Rio de Janeiro in 1992 and in the world human rights conference in Berlin in 1993.

Defense Minister on Assistance Treaty Revision

PY1409192491 Madrid EFE in Spanish 2232 GMT 13 Sep 91

[Text] Santiago, 13 Sep (EFE)—Chilean Defense Minister Patricio Rojas stated today that his country "is very critical" of the Inter-American Reciprocal Assistance Treaty (TIAR) and therefore believes it should be revised to adjust to new realities.

Rojas made these remarks to foreign correspondents during a news conference he held to announce his upcoming tour of Spain, France, and Great Britain. He completely ruled out the possibility of purchasing arms during the tour.

Rojas noted that the TIAR, which was signed in Rio de Janeiro by Latin American countries and the United States, incorporated the concept of regional collective security. He made it clear, however, that the TIAR was drafted in the 1950's and its effectiveness is criticized "because it has not been instrumental in solving the crises we have had in our continent, with the exception of the 1965 crisis in the Dominican Republic."

Rojas added that the TIAR has not been applied to most of the crises that have arisen in the region. "Therefore," he said, "we believe it must be revised in light of the current concept of hemispheric security and, above all, in the interest of Chilean security."

In the opinion of Rojas, the whole concept of collective security that prevailed in the 1950's has been changed because of the new economic, political, diplomatic, and strategic realities.

Rojas discussed the TIAR when he noted his interest in visiting military facilities, academies, and centers for higher studies in Spain, France, and Great Britain, especially now in light of the stage Chile and the world are currently undergoing.

Rojas stated that international contacts are still paramount for defense matters. He said this is true because of the great uncertainty regarding traditional concepts such as global security and dangers when one reassesses the situation following the end of "the Cold War" and recent developments in the Soviet Union.

Within this context, Rojas expressed interest in discussing with officials of the three European countries ways of concluding military agreements to promote exchange, military training, and issues of tactical interest.

During his European tour, Rojas will also discuss the possibility of initiating or intensifying bilateral contacts among the respective armed forces through combined exercises.

Rojas will make an official visit to Spain on 23 September, to France on 26 September, and to Great Britain on 1 October.

* Increase in Trade With Germany Detailed

91SM0487B Santiago EL MERCURIO in Spanish 5 Aug 91 p B10

[Text] The last 4 years have seen a major increase in trade between Chile and Germany. The director of the Chilean-German Chamber of Commerce and Industry Heinrich Friese reported yesterday that both imports and exports have doubled.

In 1990 Chilean exports to Germany amounted to US $941 million, 8.5 percent of Chile's total sales abroad. Germany is the largest European importer of Chilean products.

Last year Chile imported goods worth US $522 million from Germany, 7.4 percent of Chile's total imports.

The trade executive also spoke of the assistance his country is providing to Chile in areas like the environment, technology, training, health, and housing. A US $60 million cooperation treaty was signed at the beginning of the year.

He explained that this agreement covers projects to be conducted by Chile in the above-mentioned areas, which will be financed by Germany.

Friese also spoke of the growing participation of Chilean exports in fairs held annually in Germany. Among these he cited the Anuga exposition, a food products display, in which over 40 Chilean businesses take part.

Chile also has a strong representation in 11 other fairs, both specialized and diversified.

The executive said that this year the Chamber is working hard to prepare for German Chancellor Helmut Kohl's visit to Chile in October, and finalizing arrangements for celebrating the Chamber's 75th anniversary. He said he expects the celebration to be attended by the German undersecretary for economics and by a number of German businessmen.

Contreras Indictment in Letelier Case Sought

PY1709134091 Santiago Radio Nacional de Chile Network in Spanish 1100 GMT 17 Sep 91

[Excerpt] Plaintiff attorneys handling the case involving a forgery of passports and the murder of former Foreign Minister Orlando Letelier have requested the indictment of former Dina [National Intelligence Directorate] chief General Manuel Contreras, retired, and Brigadier Pedro Espinoza.

Attorney Fabiola Letelier, who filed the indictment petition with Judge Adolfo Banados, explained the grounds of the petition:

[Begin Letelier recording, in progress] ... it is stated that Gen. Contreras and Pedro Espinoza Bravo were the masterminds, that is, the ones who instigated this crime which was carried out by the Dina agents who were subordinate to them. Therefore, this crime took on the form of an order. [end recording]

Fabiola Letelier said it was Gen. Contreras who ordered the assassination of the former Chilean foreign minister, who was killed in Washington on 21 September 1976.

In the indictment petition, the plaintiff attorneys also oppose the disqualification of Judge Adolfo Banados, which was requested by the military courts. [passage omitted]

Rodriguez Movement Spokesman on PCCh Stand

PY1809012891 Santiago Radio Nacional de Chile Network in Spanish 1100 GMT 17 Sep 91

[Report by Antonio Cofre]

[Text] General Alfredo Malbrich, coordinator general for the FPMR [Manuel Rodriguez Patriotic Front] and a fugitive from justice, will continue discharging his duties as a member of the FPMR National Executive Board, according to FPMR spokesman Leandro Torquio. Malbrich, along with 42 other subversive inmates, escaped from Santiago's former public jail in January 1990 in the so-called Operation Success.

As for remarks by Communist Party of Chile [PCCh] leaders about protecting FPMR members wanted by the courts, Leandro Torquio said that this should also be the practice of our country's different democratic forces. Torquio stressed that the FPMR does not have any organizational relationship with the PCCh.

Concerning news conferences held by the FPMR at the Alejandro Lipschutz Science Institute, which is linked to the PCCh, Torquio made it clear that this is merely circumstantial. We have held other conferences in different places, he said.

At any rate, Torquio noted, the FPMR has political relations with the PCCh, as well as the Socialist Party, the MIR [Movement of the Revolutionary Left], congressmen, and various social organizations. Torquio said: We also have followers who have been members of political parties such as the Christian Democratic Party, the PCCh, the MIR, and the Socialist Party. Within this framework, they can remain in their parties, but our members are only Rodriguistas.

Leandro Torquio emphasized that the FPMR will continue its efforts to achieve the dominance of truth and justice in Chile:

[Begin recording] We insist that the FPMR will promote all possible initiatives within our reach to achieve the dominance of truth and justice in this country, to achieve the changes that Chile requires. Chile requires change within the Armed Forces. Chile requires change within the institutional system that we have, unfortunately, inherited from the previous dictatorship. Chile

requires that social justice be honored, and we will continue our efforts in this direction. This is our position.

Repressive actions, actions promoted by the independent antidemocratic union will not intimidate us or make us step back.

We have made a political decision because we are democrats. This is what we are doing here: We are holding a news conference and are openly voicing our opinion. This is a legitimate right that we gained in our struggle against the dictatorship.

Not everyone can do all this. For example, we believe that the CNI [National Intelligence Center] people who are now in the Dine [Army Intelligence Directorate] under the Army, such as Manuel Contreras, are the people who should actually be tracked down in this country. These are the people who should be imprisoned. Pinochet should be out of the Armed Forces.

This is our proposal and we have come with the moral quality that we earned through the intransigent struggle against injustice, barbarity, and terrorism by exercising our legitimate right in this country. [end recording]

For his part, Chamber of Deputies President Jose Antonio Viera Gallo has described as mistaken a PCCh statement on the protection of groups that do not definitely give up arms.

Discussing the FPMR's current position, Viera Gallo noted: When it is said that arms have been given up, they must be delivered.

The congressman insisted that it is anomalous for a legal party such as the PCCh to protect a group that supports armed struggle even though it has established a truce period. Viera Gallo pointed out: This is something that reveals to what point the PCCh was involved during the period of the armed struggle and that, to some extent, it still maintains ties with those groups. This is regrettable, he said.

In conclusion, Viera Gallo said that the FPMR has not delivered its arms; it just stopped using them and is keeping them. This represents an extremely serious situation, the congressman noted.

FPMR Reaffirms Decision on Political Movement

PY1809014891 Santiago Radio Chilena Network in Spanish 1700 GMT 17 Sep 91

[Text] FPMR [Manuel Rodriguez Patriotic Front] leaders delivered a letter addressed to the interior minister at La Moneda palace. The letter expressed their decision to integrate themselves into democratic life.

In the name of the group, Cesar Quiroz said that the government does not have the political will to resolve the difficultiess that they are raising, especially the one involving fugitive inmates who struggled against the previous regime.

[Begin Quiroz recording] The government appears to be administering the order left by the dictatorship, and we do not see any signs of a willingness to progress on the path of the changes that are required, changes for which we democrats voted in past elections.

We Rodriguistas reaffirm our decision to become an unarmed political movement that will struggle for our goals in this way. Today we are legitimately using the rights gained in the struggle against the Pinochet regime's injustice and terror. [end recording]

While the MPMR leaders were conducting their business at Government House and while the traditional changing of the guard was taking place, another MPMR group unfolded a banner on the street. This action caused rough talk with the police forces.

Later, Cesar Quiroz confirmed that MPMR leader Alfredo Malbrich will continue exercising his right to voice his opinion to the public.

Meanwhile, some people who were watching the changing of the guard shouted: We do not want terrorism any more.

Quiroz reported that a meeting with government officials will be held soon.

RN Rejects Socialists' Reform Proposal

PY1409182091 Santiago Radio Chilena Network in Spanish 1030 GMT 14 Sep 91

[Text] National Renewal [RN] President Andres Allamand has said that the Socialist Party is trying to disrupt the current institutional system. Allamand thus conveyed his party's rejection of the constitutional reform proposal sponsored by the Socialist Party. He explained that the RN does not agree with those who want to modify the agreements that were reached in 1989.

Allamand added that the RN has contacted leaders of the Center-Center Union, the Liberal Party, and the National Party to analyze the possibility of forming an alliance for municipal elections.

Narciso Irureta Joins Race for PDC Presidency

PY1309231491 Santiago Television Nacional de Chile Network in Spanish 0030 GMT 13 Sep 91

[Excerpt] Former Senator Narciso Irureta has made his candidacy for the presidency of the Christian Democratic Party [PDC] official. Irureta said he will seek to modernize the party, which should present proposals independent of the government's.

[Begin recording] The party cannot only look at what the government does or does not do. It is our responsibility to increase our relations with our allies and become an

effective bridge of communication between the people and the government. [end recording]

The race for the PDC presidency will be close because the other two candidates, Gutemberg Martinez and Eduardo Frei, have proved to have solid support among the party leadership and the grass roots. Irureta has the support of a majority of PDC provincial and communal leaders, and that of the Renovated faction headed by Adolfo Saldivar. This group has not joined the party leadership in the past one and one-half years. [passage omitted]

Correction to Communists Complain About Incident

PY1709123291

The following correction pertains to the item headlined "Communists Complain About Incident," published in the 17 September Latin America DAILY REPORT, page 24:

Column one, first paragraph of item, second sentence, make read: ...Mireya Baltra, and Jorge Insunza, representing the PCCh... (correcting name "Insunza" here and throughout item)

Same column, fifth paragraph, last sentence, make read: ...then captured at Cumming Street and Alameda Avenue and not at... (correcting name of street)

Correction to Presence of U.S. Nuclear Missiles

PY1609172991

The following correction pertains to the item headlined "Presence of U.S. Nuclear Missiles Criticized," published in the 16 September Latin America DAILY REPORT, page 35:

Column two, paragraph two, only sentence, make read: ...Persian Gulf war. [sentence as received]

The Tomahawk nuclear... (supplying editorial notation)

Colombia

Update on Government, Rebel Talks in Caracas

PA1709145191 Santa Fe de Bogota Radio Cadena Nacional in Spanish 1212 GMT 17 Sep 91

[Report by Francisco Tulande in Caracas]

[Text] The government rejected the guerrilla proposal to create detente zones in 192 municipalities throughout the country, as proposed by the Simon Bolivar National Guerrilla Coordinating Board [CNGSB], 16 September. Government sources said the proposal is unworthy of an analysis because it goes beyond the creation of detente zones and entails the guerrilla occupation of the entire national territory. The government commission announced that a new document will be presented today as a counterproposal to the guerrilla groups' proposal. Radio Cadena Nacional has learned that the document will reject the new CNGSB proposal.

Meanwhile, the Colombian guerrilla group insisted on its overall proposal for a peace dialogue with President Cesar Gaviria's administration. It presented a cease-fire proposal involving paramilitary groups and other social groups. The CNGSB's cease-fire proposal was presented 16 September and includes numerous modifications to the offer presented by the government a week ago. It attempts to broaden the scope of the first point on the peace agenda.

The CNGSB proposed the creation of 96—instead of 60—zones to gather the guerrilla forces during a cease-fire. It said that those detente zones must coincide with the areas where its fronts, columns, and companies normally operate—within various dimensions according to each specific case. According to the CNGSB, the detente zones or gathering zones—the parties still use different words to describe them—cannot be smaller than the equivalent of two muncipalities. They should be surrounded by a neutral zone, like a cordon, where no armed contingents would be allowed.

The guerrilla proposal demands that active CNGSB fighters be allowed to act as unarmed spokesmen and participate in political activities in detente areas accepted by the government. Aside from the practical side of the cease-fire's implementation, the CNGSB insists that it should be a bilateral cease-fire in the detente zones. It adds that the government should be represented by civilian agencies and the National Police in those zones. The government accepted the bilateral character of the cease-fire in specific areas, which will be subject to verification mechanisms that were approved by the parties. The verification mechanisms were the only achievements in the previous round of talks held in Caracas in June and July.

The guerrilla organizations demand that the cease-fire include strict government actions against paramilitary groups, another issue on the peace agenda. They also insist on discussing the human rights issue. The guerrilla proposal asks the Attorney General's Office to report on the investigation of public employees who are charged with human rights violations. It says that the other points on the agenda should also be discussed during the cease-fire.

Another point that the guerrilla groups refuse to give up, because the cease-fire is the most vital point on the agenda, is the Colombian society's participation in the peace process. Thus, the CNGSB proposes that three conferences be held between the guerrilla groups and the government in Colombia, with the participation of several social groups to discuss economic development; social welfare; political violence; human rights; administrative corruption; impunity, and policies for the management of natural resources. The conferences should be preceded by regional meetings that will review the agenda topics.

The CNGSB, which has approximately 8,000 armed men, is comprised of the Communist Revolutionary Armed Forces of Colombia, FARC; the pro-Guevara Army of National Liberation, ELN; and a faction of the Maoist Popular Liberation Army, EPL.

Ecuador

Garzon Warns Light Crude Reserves Depleted

PA1509185891 Madrid EFE in Spanish 0008 GMT 15 Sep 91

[Text] Quito, 14 Sep (EFE)—Energy and Mines Minister Gustavo Garzon said today that light crude oil reserves are running out and that the Ecuadoran petroleum industry should be prepared to start producing heavy crude.

"We are not going to find or discover large amounts of light crude oil to replace what we are consuming," Garzon noted, while he explained that the reserves equal 1.4 million barrels for a 14-year supply period.

Garzon added that in the last two years the nation consumed 200 million barrels of light crude oil and that, given the inability to recover the reserves, rationing of petroleum by-products would become necessary.

According to Garzon, heavy crude production entails larger investments than those required by light crude production. The exploitation of a barrel of light crude costs $3, while the exploitation of heavy crude costs $11.

Likewise, Garzon warned the nation of the need to make changes in each phase of the hydrocarbon industry, and that this need is one of the reasons that forced the government to raise fuel prices on 10 September by 25 percent.

"The people should be aware that petroleum is not a renewable resource," Garzon said, while he recalled that the country has been exploiting the same oil fields for the past 20 years.

Ecuador, an OPEC member, has 16 oil fields, with 50 to 60 wells in each one, located in the Amazon areas and along the coastline.

Currently Ecuador produces 294,000 barrels per day, of which 160,000 are exported on long-term contracts.

Communique Responds to Guarantors' Appeal

PA1709021291 Quito Cadena Ecuador Radio in Spanish 2300 GMT 16 Sep 91

[Text] The Ecuadoran Foreign Ministry has declared that Ecuador will continue to recognize the recent border demilitarization agreement it signed with Peru to [words indistinct] for military purposes. The Ecuadoran Foreign Ministry communique responded to yesterday's call made in Brasilia by Argentina, Brazil, Chile, and the United States—guarantor countries of the border agreement between Peru and Ecuador—so that both governments will order the immediate withdrawal of their troops from their common border to avoid possible bloodshed.

The official communique notes that Ecuador is faithful to its peace-loving tradition, convinced that the lofty principles of the UN and OAS Charters must prevail, and that Ecuador has always sought to create a climate of understanding, friendship, and confidence in its relations with all countries, especially its neighbors. It adds that it is completely alien to Ecuador's conviction and procedures to use forceful measures. In addition, the communique reiterates Ecuador's firm support of the peaceful solution of controversies and the principles that govern civilized coexistence among nations.

Foreign Minister Diego Cordovez held a meeting today with the foreign ministers of the guarantor countries to analyze this topic. Minister Cordovez reiterated that there was no troop movement in the zone, either by Peru or Ecuador.

[Begin recording] [Reporter] [Question indistinct]

[Cordovez] We have received a communique issued by four countries—Brazil, Chile, Argentina, and the United States—[words indistinct] I told the ambassadors that the agreement of detente [words indistinct] we are faithful to that agreement and hope that it will become effective as soon as possible.

[Reporter] What message [words indistinct]?

[Cordovez] First, on our part, there is no [words indistinct]. If there is something that has made us respectable in all of this process, it is the professionalism that has been maintained by the government and media. The Ecuadoran media have acted with great discretion, great prudence, and I believe that this has made our position respectable.

[Reporter] [Words indistinct] called a gentlemen's agreement?

[Cordovez] Correct.

Correction to Petroecuador Minor Damage

PA1209180791

The following correction pertains to the item headlined "Petroecuador Says 'Minor Damage' From Explosions," published in the 12 September Latin America DAILY REPORT, page 23:

Make sourceline read: ...Quito Cadena Ecuador Radio in Spanish 2300 GMT 11 Sep 91... (correcting source)

Peru

Fujimori Obtains Credit-Line From IDB

PY1709190091 Madrid EFE in Spanish 1538 GMT 17 Sep 91

[Text] Lima, 17 Sep (ANDINA)—With the signature of President Alberto Fujimori and Inter-American Development Bank (IDB) President Enrique Iglesias, the IDB will resume granting credit lines to Peru.

The credits which the IDB will grant to Peru are classified in three groups: an $825-million credit for specific sectors; a $338- million credit for specific projects; and a $108-million bridge loan from friendly countries.

Part of the credit for specific sectors, some $425 million, will be loaned to the commerce sector. This credit was approved and $325 million will be disbursed on 19 September, the remaining $100 million will remain pending.

Another credit for a specific sector amounts to $200 million and is designated for the financial sector. This credit awaits final approval. It should be agreed upon before 20 September and is being negotiated by Deputy Economy Minister Gustavo Gonzales Prieto and Economic Adviser Cesar Penaranda.

A third credit for another specific sector is for the farming sector. It totals $200 million and its approval is expected by March 1992. The preliminary negotiation is being handled by Deputy Agriculture Minister Absalon Vasquez and Economic Adviser Octavio Chirinos Valdivia.

Another significant credit line awaiting final approval is for specific projects totalling $180 for the construction of roads. Of the total, $40 million will be disbursed between October and December 1991.

Of this credit, $58 million will be used for hospital equipment, $30 million for sewage systems, $100 million for the electricity system, and $70 million for smaller projects. This, added to the road construction allocation, amounts to $338 million. [figures as received]

The central banks of Latin American countries, including Chile, Mexico, Colombia, Venezuela, and Uruguay will grant Peru a $108- million bridge loan. This money will be used to pay overdue debts with the World Bank corresponding to the April-September 1991 period.

Bolona Announces Favorable Agreement

PY1709182491 Madrid EFE in Spanish 1728 GMT 17 Sep 91

[Text] Paris, 17 Sep (ANDINA)—Economy Minister Carlos Bolona confirmed today that an agreement was reached with the Paris Club through which the $6.6 billion debt was renegotiated for the 1991-92 period.

After 14 hours negotiation yesterday and another 6 hours today, Bolona said that the pressure for payments during that period was reduced to the minimum.

Bolona noted that the terms of the agreement are positive for Peru and that the country is gaining credibility and could be regarded as an eligible member of the international community.

The minister said that the payments agreed on for the mentioned period amount to around $300 million. This compared with what the support group can grant (over $1 million) is practically the same as the Paris Club, and represents a significant positive inflow of money. [sentence as received]

Bolona explained that it is not just a matter of stimulating the national economy so that we can pay. This move will also mean that we can receive an amount of fresh money, the volume of which will depend on the negotiations Peru carries out from now on.

The minister said that Peru must negotiate on a bilateral level, country by country, in order to make effective the donations offered by France ($15 million), the Netherlands ($20 million), Italy ($15 million), Switzerland ($10 million) for this year, and Sweden ($5 million) that may also be disbursed this year.

He said that these funds may be used for the emergency social program. In comments to Radioprogramas, Minister Bolona said: "The ball is now in our court."

Moreover, he said that bilateral negotiations must be carried out as soon as possible with the three largest countries that have offered loans—the United States ($406 million), Japan $400 million, and Germany ($130 million)—to decide how the money will be disbursed during the 1991-92 period.

Bolona added that negotiations must also be carried out with the IDB. He confirmed that he is traveling to Washington today to attend the signing of a loan for $425 million. He said that a large part of this loan will be earmarked for the Latin American reserves fund, but that this fund has already promised some money for this year's emergency social program as well as for the construction of highways and hospitals.

Bolona regretted the fact that Peru stopped submitting projects to the multilateral organizations eight years ago and mentioned the need to use these loans very efficiently.

The minister also referred to a third negotiation with socialist and Latin American countries, as well as an agreement with the banking sector.

He said that reinsertion is a process in which the first successful and encouraging steps have been taken, but admitted that there is much to be done.

The economy minister disclosed that in 1993 Peru should join the Paris Club so that it can continue to negotiate. He

added that one cannot think about a multilateral condonation of the debt because some countries did not agree with it. He believes that bilateral negotiations might substantially reduce the debt's profile.

Government Dismantles Fares Regulatory Committee

PY1709155491 Madrid EFE in Spanish 1842 GMT 16 Sep 91

[Summary] Lima, 16 Sep (ANDINA)—The government has decreed the deactivation and dismantling of the Transportation Fares Regulatory Committee [Comision Reguladora de Tarifas de Transporte—CRETT]. The CRETT was charged with studying the transportation tariff policy and making proposals to the Transportation and Communications Ministry.

Uruguay

President Lacalle Departs For Brasilia

PY1609134291 Montevideo Radio El Espectador Network in Spanish 1000 GMT 16 Sep 91

[Excerpt] President Luis Alberto Lacalle departed for Brazil this morning. The main topic of his official agenda is the Mercosur [Common Market of the South]. Lacalle will meet with his Brazilian counterpart Fernando Collor de Mello and will attend the Uruguay-Brazil entrepreneurial meeting in Sao Paulo.

The president departed at 0600 [0900 GMT] for Brasilia. He is accompanied by a large entourage of government officials and businessmen who will sign a number of important agreements on the creation of border development centers, on bilateral integration, and on economic, energetic, and cultural development.

The president is accompanied by first lady Julia Pau, and Ministers Hector Gros Espiell, Wilson Elso Goni, Jose Villar, Raul Lago, and acting Agriculture Minister Gustavo Ferres.

President Lacalle will be received in Brasilia by Foreign Minister Francisco Rezek. President Fernando Collor will receive Lacalle at the Planalto Palace later in the morning. The official welcoming ceremony will take place at the Planalto Palace. [passage omitted]

Marxist-Leninists Publish New Magazine

PY1709154291 Montevideo BUSQUEDA in Spanish 12 Sep 91 p 10

[Summary] The Marxist-Leninist sector of the Communist Party of Uruguay, PCU, has recently launched a new magazine called CAMINOS. It is directed by lawyer Omar Rovira who used to head the 12th PCU precinct and who recently resigned from the party. The magazine's editorial council is made up of: Jorge Bersanelli, Luis Campelo, Alberto Dominguez, Magdalena Ferrari, Rosita Dubinsky, Ruiz Pereira, and Hermes Millan.

Venezuela

Government Seeks To Cut Foreign Debt by 1993

PA1709162991 Madrid EFE in Spanish 2147 GMT 16 Sep 91

[Text] Caracas, 16 Sep (EFE)—Venezuela will have a foreign debt of $9.113 billion in 1993. That is three times less than in 1989, Miguel Rodriguez, coordination and planning minister (Cordiplan), announced here today.

Venezuela's foreign debt with private international banks in 1989 was $27 billion. This represented an annual service fee of over $3 billion on capital and interests, the minister noted. In 1990 the government reached an agreement with the creditor banks for amortization of the debt in the sum of $5.5 billion and for a debt conversion program on capital for $2 billion, he added.

The government also conducted a program to repurchase the debt by refinancing $1.4 billion. It carried out another program to reduce capital in the amount of $554 million and to pay the debt before the due date for a total of $8.671 billion. Rodriguez said that the debt paid ahead of its due date was deposited in U.S. treasury bonds in a trust fund abroad.

The Cordiplan minister, who is the author of the economic policy of President Carlos Andres Perez' government, said that the agreements to refinance the foreign debt contemplate $1.2 billion in loans of the World Bank and the Inter-American Development Bank.

An independent study published today by the newspaper ECONOMIA HOY notes that the government is preparing new indebtedness programs for $13.4 billion for the period of 1993-95, of which $5.5 billion correspond to credits of the International Monetary Fund (IMF).

Rodriguez said that for the new investment programs the government will negotiate with multilateral credit organizations, which are "the cheapest and best sources."

* COPEI Convention Reveals Internal Divisions

91SM0483C Caracas EL UNIVERSAL in Spanish Section 1, 9 Aug 91 p 12

[Text] For the first time in the history of COPEI [Social Christian Party] there has been public talk of a split in the party.

It was a regular convention at which complete openness prevailed. All leaders had a chance to tell the 1,827 delegates and special guests and the mass media exactly what they thought of each other.

This is the only political organization that has not yet split, and at this 19th convention leaders used the verb "divide" at least 30 times, perhaps to give some idea of how disastrous it would be for COPEI to lose the 1993 election because two candidates from the same party were running.

To some, Rafael Caldera was, is, and will be an obsession for Eduardo Fernandez. To others, Caldera was, is, and will be an obsession for the entire party, and to Eduardo Fernandez, Caldera is an obsession for Luis Campins.

Although Caldera did not attend and was mentioned very often, one could not say this time that his was the big absence, because the 1,827 delegates expressed their partisan enthusiasm almost with the same intensity for all of the speakers. They did not remember the people who were not there.

The event began in the morning in the assembly hall of Parque Central, and the delegates did not rise from their seats until after five in the afternoon. They did stand at times, of course, but only to applaud or jeer a speaker.

"El Catire" [the fair-haired one] Speaks

After German Briceno Ferrigni presented the political report on the activities of the current COPEI National Committee, Abdon Vivas Teran took the floor to "tear into" Eduardo Fernandez' actions and decisions.

In his political comments he analyzed the economic model proposed by the secretary general. He stated that for 30 years COPEI has supported the import-substitution model and now talks about neo-classical liberal models "when we all know that the distribution of wealth is worse today."

"We are bewitched by neoliberal terminology and we realize that only the Social Christians can improve the country's situation," he said.

"Eduardo Fernandez says that the social market economy, the German model, is not neoliberal. But it is. It is neoliberal, though not like the economic model of Carlos Andres Perez, but it is neoliberal."

Gustavo Tarre Briceno, the debate moderator, intervened at this point to remind Vivas Teran that he had already used up his 10 minutes, but the delegates shouted for him to continue speaking.

"El Catire" kept on raising objections to the government's economic model, but at this moment Eduardo Fernandez rose to speak, and the delegates stood up to applaud him, forcing Vivas Teran to interrupt his address.

"It is fine to say that the students at this or that school are not receiving their glass of milk, but it is more important to defeat the Perez economic policy so that we can win the elections in 1993."

Humberto Calderon Berti then took the microphone and showed that he is a technocrat, not a politician, giving an almost technical speech. He said that Perez' economic program was negative and expressed his own presidential ambitions.

"The same thing that is said to employers must be said to organized labor, and I do not think that we have the 1993 elections won."

Ramon Guillermo Aveledo and Carlos Navarro spoke next. They were followed by Felipe Montilla. He pressed his point that the Supreme Court has been sabotaged by the appointment of Jesus Moreno Guacaran to serve on it, and he again spoke of the need to amend Article 4 of the Hydrocarbons Law, which gives the administration the power to change the price of fuels.

Tarre Briceno read the report on the political activities of the current COPEI National Committee, as well as Eduardo Fernandez' proposal for open elections and Abdon Vivas Teran's proposal that the economic model proposed by COPEI needs to be debated more fully and at greater length.

Jose Antonio Perez Diaz' Speech

But it was Jose Antonio Perez Diaz who prompted an emotional reaction at the convention. He said that "I told Eduardo Fernandez that selecting COPEI's presidential candidate in open elections was dangerous for the party."

COPEI is running the risk of a rift, he remarked. "The party must run the risk for its leaders, or else the leaders must run risks for the party," Perez Diaz asserted.

When he said this, the audience rose and applauded loudly. Perez Diaz then added: "Even if the Eternal Father were to put forth these ideas, I would be opposed."

Luis Herrera and His Guile

Former President Luis Herrera walked to the rostrum when Jose Antonio Perez Diaz finished. With his characteristic political skill he emphasized that the slogan of this convention, "the party for change," reminded him of another saying from 1968, "change is coming."

There have been many changes in COPEI since then, he noted.

"An open election is being proposed because COPEI has a short-run problem that it cannot resolve, and thus we are asking the whole country to help us. There is a huge obsession with our colleague Rafael Caldera. We must proceed steadfastly but carefully because Caldera is still the leader and founder of COPEI."

He admitted that the hardest decision is going to be the one that involves Caldera, "but he too will find it hard to make a move."

He could not conceive of Caldera without COPEI, but he could not conceive of COPEI without Caldera either. "We have to work to maintain party unity not only in terms of presidential candidates but in the sectional elections, where it would seem that COPEI is fragmenting more and more on us," he contended.

"I do not want to believe that I will be the last Social Christian president this century. I would like to think that I will be the second but that there will be a third, a fourth, and many more."

Pedro Pablo Aguilar, Abdon Vivas Teran, and Gustavo Tarre Briceno then stood up before the delegates to speak, in the case of Vivas Teran and Tarre for the second time.

Aristides Beaujon closed this chapter, indicating that COPEI is not splitting, that the COPEI vote will not be divided "because I do not think that COPEI members want to commit suicide."

"COPEI unity will depend on the results in 1992," he added.

Eduardo Fernandez' Chat

The last to speak to the 1,827 delegates was Eduardo Fernandez, their secretary general, who clarified that this was not a speech but rather a chat among the family.

"This is an open convention, not so that anyone can leave but so that people can come in. It has become obvious here that we are a democratic party, but no one else has the human qualities that exist here.

"When I think about the tone of the debate in the other major national party, I realize that it does not have a single idea. Of course, the debate in COPEI is not exactly with kid gloves.

"My term has been discussed at length, and this does not bother me because we are not band of guerrillas standing behind a leader. It is not, as Luis Herrera says, that I am obsessed with Caldera. I think, rather, that this is a projection of Luis Herrera's thinking. I have respect and admiration for Caldera."

Fernandez had words of praise for Perez Diaz, whom he called a politician with the heart of a poet.

He indicated that Caldera is entitled to run, "just as I, Humberto Calderon Berti, and my colleague Oswaldo Alvarez Paz are, because I have been taught to be democratic."

"Those of us who are here believe in party unity. When I was 5 years old, I used to shout in the hallways in my house, Caldera, Caldera. That was in 1942, when he ran for the first time. I was behind him when he ran in 1947, and in 1952, in 1958, in 1963, in 1968, in 1983. In 1988, he did not support me. But if he wins the COPEI nomination in the upcoming elections, I pledge to you that I will support him."

Fernandez' dream is that Venezuela can become a different country. He quotes Manuel Penalver, who went down in Venezuelan history as the man who said that we are not Swiss. "Well then," Fernandez said, "we are not German, but I want that same wealth for my country, thanks to that economic model."

"I want to run an administration different from Luis Herrera Campins' and Rafael Caldera's." He then recalled that Luis Herrera promised to place the presidential sash in 1984 on another COPEI member, and "this did not happen. On the contrary, we regressed in absolute and relative terms in the party."

The secretary general advocates the system of open elections because he does not want people to be able to say that COPEI's presidential candidate in 1993 was chosen by the machine. "This system solves a family problem, but if one member of the family thinks differently, everyone will notice it. What I can assure Luis Herrera is that he will not be the last COPEI president this century."

Guyana

Opposition Calls For UN Peace-Keeping Force

FL1809135491 Bridgetown CANA in English 1246 GMT 18 Sep 91

[Text] Georgetown, Guyana, Sept 18, CANA—Opposition parties in Guyana want unarmed United Nations security forces here as the country prepares for a general election. The parties renewed the call following an attack on two members of the main opposition party in a slum Sunday.

Dr. Cheddi Jagan, leader of the People's Progressive Party [PPP], told journalists Tuesday that the attack on two of his members reinforced the need for a peace-keeping force similar to one sent to Haiti to minimise or eliminate election violence. The Working People's Alliance was the first party to suggest UN security officers for Guyana.

Dr. Roger Luncheon and school teacher Rueben Gilbert, both leading PPP members, were attacked by two men in the Albouystown area Sunday while campaigning.

PPP Advocates Suspending Privatization Program

FL1709010891 Bridgetown CANA in English 2109 GMT 16 Sep 91

[Text] Georgetown, Guyana, Sept 16, CANA—Guyana's main opposition People's Progressive Party (PPP) is advocating the suspension of the government's privatization programme pending the outcome of forthcoming elections.

The PPP's weekly newspaper, the MIRROR, said over the weekend that the PPP viewed as illegal any divestment deals concluded before the election, expected in the final quarter of the year.

"A new (PPP) government will not consider itself obligated to honour any new deals made by a government which was not elected by the people in 1985 and had no programme and mandate for divestment," the MIRROR said. The PPP has repeatedly accused the ruling People's

National Congress (PNC) of retaining power by rigging successive elections, since 1964 when it first took office in a coalition.

The Desmond Hoyte administration has been pushing a programme of privatization as part of a broad plan to revive the ailing economy. The plan, emphasizing the role of the private sector, has attracted several foreign companies to Guyana, including some whose assets were nationalized in the 1970's when socialism was being pursued.

Criticising current plans to privatize the Guyana Sugar Corporation (Guysuco), the PPP accused the government of pursuing divestment in secrecy without any consultation with opposition parties, trade unions, and the local business community.

"Any moves related to the nation's wealth can only be legitimately carried out by a government elected under certified free and fair elections. All deals carried out before the upcoming elections are therefore illegal and must be opposed," the PPP said. A major concern expressed by the PPP was that some state assets were being sold at giveaway prices.

The president of the Guyana Manufacturers' Association (GMA), Yesu Persaud, recently said some divestment deals have been poorly done. He cited as an example the sale of Demerara Woods Limited to Dutch investors. The deal, concluded over a month ago for U.S. 16.5 million dollars, was later valued at over U.S.100 million dollars.

"....Once again, there are grave fears that new sales will also be carried out at giveaway prices under suspicious circumstances," the PPP said.